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Chairman's Statement Issued at ASEAN Meeting

BK1612154195 Bangkok THE NATION in English 16 Dec 95 p A5

["Statement" by the Chairman of the Southeast Asia-10 Meeting]

[FBIS Transcribed Text] The following is the chairman's statement at the historic Southeast Asia-10 meeting.

1. On 15 December 1995, in Bangkok, for the first time ever, the heads of government of all 10 Southeast Asian nations gathered as one, in a spirit of equality and partnership, to discuss their shared destiny of peace, progress and prosperity through economic and political cooperation.

2. Present at the meeting were His Excellency Banhan Sinlapa-acha, Prime Minister of the Kingdom of Thailand, who chaired the meeting, His Majesty Haji Hassanal Bolkiah, Sultan of Brunei Darussalam, His Royal Highness Samdech Krom Preah Norodom Ranariddh, and His Excellency Samdech Hun Sen, First and Second Prime Ministers, respectively, of the Kingdom of Cambodia; His Excellency Mr Khamtai Siphandon, Prime Minister of the Lao People's Democratic Republic; His Excellency Dr Mahathir bin Mohamed, Prime Minister of Malaysia; His Excellency Senior General Than Shwe, Chairman of the State Law and Order Restoration Council, Prime Minister and Minister of Defence of the Union of Myanmar [Burma]; His Excellency Mr Fidel V Ramos, President of the Republic of the Philippines; His Excellency Mr Goh Chok Tong, Prime Minister of the Republic of Singapore; and His Excellency Mr Vo Van Kiet, Prime Minister of the Socialist Republic of Vietnam. [no mention of Indonesian President Suharto]

3. The meeting was a reaffirmation of the aspirations of Asean as set forth in the 1967 Bangkok Declaration. This historic meeting brings within reach Asean founding fathers' vision of an Asean comprising all 10 Southeast Asian nations.

4. At the same time, the meeting was an unprecedented occasion for the heads of government of Asean and CLM (Cambodia, Laos and Myanmar) to consult and explore ways and means to build upon the prevailing spirit of cooperation and partnership to strengthen the foundation of peace and stability in the region.

5. The meeting noted that Cambodia, Laos and Myanmar have actively participated in the activities of the Working Group on Economic Cooperation in Indochina and Myanmar, which was established by the AEM-MITI [Asean Economic Ministers-Japan's Ministry of International Trade and Industry] meeting in 1994 and chaired by Thailand.

6. The heads government agreed that:

a) At this juncture, the most appropriate approach towards a peaceful and prosperous Asean would be to develop economic linkages and boost interdependence among all the nations of the region. Asean cooperation with CLM will be mutually beneficial and will enhance the security as well at the development of Southeast Asia as a whole.

b) In the initial stage, cooperation between Asean and CLM shall have four broad objectives;

1. To increase CLM participation in all future Asean activities so as to impart further momentum to the growing sense of oneness in Southeast Asia;

2. To share one another's knowledge of and experience in all areas of common interest through exchange programmes, training and research collaboration;

3. To help CLM make the transition to market economies so as to accelerate economic growth and development; and

4. To help CLM prepare for eventual participation in the Asean Free Trade Area (Afta).

c) The dialogue process set in motion by the meeting is a powerful confidence-building measure in Southeast Asia which will contribute to the maintenance and promotion of the existing peace and stability in the region.

d) The meeting has established a new atmosphere of cooperation and good neighbourliness within the region by CLM to associate themselves more tangibly with Asean through economic collaboration, while allowing Asean to acquire deeper understanding of CLM's concerns and development priorities.

e) The convergence of interests evident during the meeting and the spirit of friendship in which the meeting was held have strengthened Southeast Asia's sense of community and reinforced the prospect of one Southeast Asia under Asean by the year 2000.

Text of ASEAN Summit Declaration Reported

BK1812094595 Bangkok THE SUNDAY POST in English 17 Dec 95 p 20

[Text of the "Bangkok Declaration" issued at the conclusion of the Fifth ASEAN Summit in Bangkok on 15 December]

[FBIS Transcribed Text] We, the heads of State of Government of ASEAN;

Inspired by the significant progress and accomplishments of ASEAN;

Encouraged by the admission of Vietnam as the seventh member of ASEAN and the participation of Laos and Cambodia as observers;

Encouraged further by the accession by all Southeast Asian countries to the Treaty of Amity and Cooperation in Southeast Asia (TAC) and its endorsement by the United Nations General Assembly in Resolution 47/53 (b) and by the signing of the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ) Treaty;

Confident of the early realisation of the ASEAN vision of embracing the whole of Southeast Asia;

Emboldened by ASEAN's economic dynamism and its growing importance in world trade;

Mindful of the existence of internal and external challenges to ASEAN's identity, solidarity, effectiveness and competitiveness;

Resolute in our determination to enhance cooperation, peace and prosperity in our region;

Desiring to create a caring, cohesive and technologically advanced ASEAN community, whose strength lies in a common regional identity;

Determined to achieve further economic integration through greater cooperation;

And resolute in improving the quality of life of its people through human development to enable them to realise their full potential and capacity to contribute towards further progress as productive and responsible members of society;

Do hereby declare that:

1. ASEAN shall work towards the speedy realisation of an ASEAN comprising all Southeast Asian countries as it enters the 21st century;

2. ASEAN shall take concrete steps to further strengthen the ASEAN identity, spirit and sense of community through wider participation of ASEAN citizens;

3. ASEAN shall elevate functional cooperation to a higher plane to bring shared prosperity to all its members;

4. ASEAN shall move towards greater economic integration by building on existing economic cooperation activities, initiating new areas of cooperation and promoting closer cooperation in international fora;

5. ASEAN shall undertake measures to further strengthen its national and regional resilience in the political, economic, social, cultural humanitarian and other fields;

6. ASEAN shall continue to actively participate and cooperate in various regional and international fora to enhance peace, security and prosperity in Asia and the Pacific and the world.

Political and security cooperation

7. In the field of political and security cooperation, we have agreed that:

— ASEAN is committed to the establishment of an ASEAN comprising all countries in Southeast Asia which will be guided by the spirit and principles underlying the TAC and the Declaration of ASEAN Concord. Cooperative peace and shared prosperity shall be the fundamental goals of ASEAN;

— ASEAN Member States shall facilitate and expedite the realisation of an ASEAN comprising all countries in Southeast Asia by developing further the channels of dialogue and avenues for interaction with the prospective ASEAN Member States in Southeast Asia at various levels and in the economic, political, cultural, social, scientific and technology and other functional fields. The historic meeting of the Heads of Government of the ten Southeast Asian nations marked a significant step forward towards the realisation of this vision;

— ASEAN shall explore ways to consolidate its tradition of consultation and consensus within an expanded ASEAN. In a rapidly changing world, ASEAN shall remain bold, forward looking, dynamic and nimble in order to safeguard the vital interests of its diverse members;

— ASEAN shall intensify dialogue on intra-ASEAN security cooperation;

— ASEAN shall continue to play a central role, in cooperation with other participants, in developing the ASEAN Regional Forum (ARF) into an effective and meaningful process for ensuring peace and security in the Asia-Pacific region as conceived in the ASEAN Concept Paper on the ARF;

— ASEAN shall seek an early peaceful resolution of the South China Sea dispute and shall continue to explore ways and means to prevent conflict and enhance cooperation in the South China Sea consistent with the provisions of the TAC and the ASEAN Declaration on the South China Sea of 1992 as well as international law including the United Nations Convention on the Law of the Sea;

— ASEAN reaffirms its commitment to the Zone of Peace, Freedom and Neutrality (ZOPFAN), as envisaged in its 1993 "Programme of Action on ZOPFAN";

— ASEAN calls on all non-Southeast Asian countries to associate themselves with the TAC. ASEAN recognises that such an association will contribute positively towards the security and stability of the region and is working actively to finalise the modality for doing so;

— ASEAN calls upon the nuclear-weapon States, for the maximum effectiveness of the Treaty on Southeast Asia Nuclear Weapon-Free Zone, to extend their cooperation by acceding to the Protocol of this Treaty. The Treaty is yet another contribution of Southeast Asian countries to the strengthening of security in the region and to the maintenance of world peace and stability;

— ASEAN urges all nuclear-weapon States to implement more vigorous measures to reduce and eliminate all nuclear weapons in compliance with their long-standing obligations under the Nuclear Non-Proliferation Treaty. ASEAN also calls upon these States to expeditiously conclude a credible and Comprehensive Test Ban Treaty in the interest of world peace;

— ASEAN shall actively participate in the Asia-Europe Meeting in Bangkok on 1-2 March 1996. This historic meeting of the Heads of State and Government of ten Asian nations and fifteen European nations and the President of the European Commission, should contribute towards building a new partnership for greater growth between Asia and Europe; and

— ASEAN shall explore ways and means to enhance cooperation with the United Nations, with the view to promoting peace and stability in the region. ASEAN shall also work towards making the United Nations a more equitable, effective and relevant body for promoting peace and prosperity in the region and globally in the post-Cold War era. ASEAN shall give particular attention towards the effort to making the membership of the Security Council more reflective of the prevailing balance among nations; to enhancing the capacity and effectiveness of the world body to carry out its peacemaking, peace- keeping, peace-building and preventive diplomacy function; and to strengthening the work of the United Nations in the social and economic fields.

Economic cooperation

8. In the field of economic cooperation, we have agreed to adopt the following Agenda for Greater Economic Integration:

— ASEAN shall further accelerate the progress towards the actualisation of AFTA [ASEAN Free Trade Area] before the target date of Year 2003. Member Countries will maximise the number of items with tariffs reduced to 0-5% by the year 2000 as well as expand the number of products with tariffs reduced to 0% by the same year.

— ASEAN shall remove all quantitative restrictions and non- tariff barriers [NTB] and shall schedule the elimination of NTBs beginning 1 January 1996;

— ASEAN shall introduce greater transparency in standards and conformance, align product standards with international standards and undertake projects to facilitate mutual recognition agreements on a bilateral or plurilateral basis, to facilitate greater intra- regional trade. ASEAN shall identify the work programmes to achieve these objectives and commence work in 1996;

— ASEAN shall harmonise tariff nomenclature at the HS [harmonized system] 8-digit level and implement the GATT Valuation System by 1997. ASEAN shall also create a green lane system to expedite the clearance of CEPT [Common Effective Preferential Tariff] products;

— ASEAN shall intensify its cooperative relationships and pursue vigorously economic linkages with its dialogue partners and other regional groupings such as CER [Closer Economic Relations between Australia and New Zealand], EU and NAFTA;

— ASEAN shall continue to support sub-regional arrangements as they have a vital role to play in accelerating economic growth;

— ASEAN shall move towards enhancing cooperation and freer trade in services through the implementation of the ASEAN Framework Agreement on Services;

— ASEAN Member States shall enter into negotiations of specific commitments on market access, national treatment and additional commitments covering all services sectors and all modes of supply. The first round of negotiations shall begin on 1 January 1996 and conclude no larger than 31 December 1998. The negotiations will give emphasis to financial services, maritime transport, telecommunications, air transport, tourism, construction and business services. Subsequent rounds of negotiations shall be undertaken until a higher level of liberalisation is achieved. Member States will be given the flexibility to determine the extent of sectors to be offered for negotiation. For the duration of the negotiations, each Member State agrees not to take any measures in such a manner as to improve its negotiating position and leverage. However, a member State shall not be prevented from taking prudential measures consistent with the General Agreement on Trade in Services (GATS);

— ASEAN, conscious of the importance of intellectual property in intra-ASEAN and world trade, shall implement the Framework Agreement on Intellectual Property Cooperation which will increase cooperation amongst ASEAN Member Countries in the intellectual property area and which further confirms ASEAN's determination to explore the possibility of setting up an ASEAN Patent System and an ASEAN Trademark System;

— ASEAN shall work towards establishing an ASEAN investment region, which will help enhance the area's attractiveness and competitiveness for promoting direct investment. The promotion of direct investment into and amongst ASEAN Member Countries will help in the development and growth of the ASEAN economies. In this regard, ASEAN shall implement, among other investment measures, an ASEAN Plan of Action on Cooperation and Promotion of Foreign Direct Investment and Intra-ASEAN Investment;

— ASEAN shall implement a new industrial cooperation scheme which is CEPT based and has been developed together with the private sector. The new scheme will encourage investment in technology- based industries and value-added activities;

— ASEAN shall implement the ASEAN Plan of Action on Infrastructure Development in order to provide efficient and cost- effective infrastructure facilities in the region.

— ASEAN shall complete the implementation of the ASEAN Plan of Action in Transport and Communications for 1994-1996 leading to the development of multimodal transport, interconnectivity in telecommunications, harmonisation of road transport laws, rules and regulations and human resource development [HRD]. The Plan may also include the development of an open-sky policy;

— ASEAN shall embark on new initiatives to achieve global competitiveness in agriculture and forestry while maintaining the sustainability of its resources. ASEAN shall increase the competitiveness of agriculture and forestry by increased application of science and technology, investment in human resource development as well as through greater liberalisation of trade in agriculture and forest products;

— ASEAN shall implement a programme of action that will further enhance trade and investment in industrial minerals to support the industrialisation of Member States and complement ASEAN's thrust in realising AFTA. ASEAN shall also continue to create a conducive environment for private sector participation by making rules and procedures transparent. A mineral database shall be set in place and be immediately operationalised to support the cooperation programme;

— ASEAN shall ensure greater security and sustainability of energy supply through diversification, development and conservation of resources, the efficient use of energy, and the wider application of environmentally sound technologies. ASEAN shall implement the Medium-Term Programme of Action on Energy Cooperation (1995-1999) with greater private sector participation in various modes of investment, transfer of technology and human resources development, with major thrust on power sector development;

— ASEAN shall focus on promoting sustainable tourism development, preservation of cultural and environmental resources, the provision of transportation and other infrastructure, simplification of immigration procedures and human resource development;

— ASEAN shall implement the Action Plan for SME [Small and Medium Enterprises] Development emphasising, information access, technology, financing, human resource development and marketing;

— ASEAN shall strengthen its links with the ASEAN-Chambers of Commerce and Industry to enable the private sector to participate more effectively in the ASEAN policy formulation process and in programme implementation;

— ASEAN shall cooperate closely on international trade issues in international fora including the WTO and APEC [Asia-Pacific Economic Cooperation]. Since international financial and macroeconomic policies can have a significant effect on the region's economies, ASEAN shall play a more active role in shaping the agenda of international financial and macroeconomic issues;

— ASEAN shall continue with efforts to advance further the East Asia Economic Caucus (EAEC);

— ASEAN Sectoral Ministers as well as Senior Officials shall meet regularly to embark on new initiatives to strengthen economic cooperation. ASEAN Economic Ministers and the Senior Economic Officials shall continue to be the coordinating bodies for all economic activities. All ASEAN economic cooperation decisions shall be made by flexible consensus so that Member Countries wishing to embark on any cooperation scheme may do so while the others can join at a later date; and

— ASEAN shall adopt a General Dispute Settlement Mechanism (DSM) which shall apply to all disputes arising from ASEAN economic agreements. Under this general mechanism, there may be specific mechanisms tailored to various economic agreements.

Functional cooperation

9. In the field of functional cooperation, we have agreed that:

— ASEAN shall strive towards technological competitiveness by building on national strength and regional cooperation in science and technology that is self-sustaining and demand driven with active participation from the private sector;

— ASEAN shall continue to develop human resources in science and technology to cope with the pace of scientific and technological advancement, as a means to attain and sustain a competitive edge in the international economic arena;

— ASEAN shall advance the economic prosperity and social well- being of its peoples in a sustainable manner, in partnership with the private sector, for the benefit of future generations and in the interest of ensuring a balanced ecosystem;

— ASEAN shall seek to conserve, present and promote the cultural and artistic heritage as an integral part of life and spirit in ASEAN. Towards this end, ASEAN shall seek to foster a dynamic environment conducive to the creative expressions of indigenous, traditional, modern and contemporary cultural forms and values while recognising the commonalities and differences in traditions as great sources of artistic creativity;

— ASEAN shall upgrade its human resources by investing in building institutional capacities for education, training and research, science and technology and technology transfer as well as strengthening the networking of HRD institutions;

— ASEAN shall raise awareness of ASEAN among its peoples, in particular the young generation, and to instill in them a consciousness of the spirit and identity embodied in ASEAN, by harnessing all appropriate modes and technologies in the media and communications and education and through greater interaction among its peoples;

— ASEAN shall reinforce its efforts to improve the quality of life of its peoples by ensuring social justice, improving the quality of and access to social services and working towards the reduction of poverty;

— ASEAN, committed to the total eradication of illiteracy, shall work towards developing better informed and educated societies, through cooperation in educational development on an interdisciplinary basis and the provision of basis education for all;

— ASEAN shall engage the support of the public, private, international and national organisations and agencies in community building through appropriate educational processes, in recognition of the crucial role of community education in sustainable development;

— ASEAN shall continue to strengthen the family as a foundation for a strong, caring and cohesive society, capable of meeting new challenges arising from rapid social and economic changes, by promoting strong family values and bonds and providing for safety nets for families to help cushion the impact of such changes;

— ASEAN shall work towards the equitable effective participation of women in all fields and levels of society;

— ASEAN shall enhance regional cooperation for the survival, protection and development of children and for youth development;

— ASEAN shall continue to strength collective response to the problems and challenges posed by HIV/AIDS, including the mobilisation of resources to support implementation of priority activities;

— ASEAN shall further enhance cooperative efforts against drug abuse and illicit drug trafficking, with special emphasis being given to demand reduction programmes and information exchange and dissemination, with the aim of creating a drug-free ASEAN;

— ASEAN shall take into account the existence of new challenges to the peace, economic growth and stability of the region and the implication of these challenges;

— ASEAN shall continue to promote the participation of various sectors of society, including NGOs [nongovernmental organizations] and other similar organisations, in relevant activities of ASEAN; and

— ASEAN shall intensify its cooperation in the field of civil service matters to further enhance the efficiency and effectiveness of their individual civil services.

External relations

10. ASEAN shall continue to attach importance and further the Dialogue Process involving its Dialogue, Sectoral and Consultative Partners on the basis of mutual benefit and in the spirit of goodwill and partnership.

11. ASEAN shall remain outward looking and shall deepen its external relations with its partners in a globally interdependent world.

Banhan Discusses ASEAN 'Closed-Door' Session

BK1612100095 Bangkok Thai Color Television Channel 9 in Thai 1137 GMT 15 Dec 95

[Statement by Prime Minister Banhan Sinlapa-acha delivered at a news conference after the official closing ceremony of the 5th ASEAN Summit in Bangkok on 15 December — live]

[FBIS Translated Text] Today marks the end of the Fifth ASEAN Summit in Bangkok. I would like to state that after 28 years, ASEAN has returned to its birthplace here in Bangkok. We have had now five summits over the past 28 years; in Bali, Kuala Lumpur, Manila, Singapore, and now in Bangkok. In three year's time, Vietnam will host the Sixth ASEAN summit. However, the Fifth ASEAN Summit has been different from the four previous occasions. On the initiative of Thailand, Southeast Asia, we believe and as we proposed at the meeting, should not be seen as not only comprising seven countries, but also three others — namely Cambodia, Laos, and Myanmar [Burma], which are in this region. I proposed to the meeting that if we bring them in as observers, it would allow them to know the workings and mechanisms of ASEAN, and would create greater confidence among themselves to eventually become ASEAN members. The basic aspiration of ASEAN has always been to have one united Southeast Asia. In this unity, we cannot leave even one member of Southeast Asia out of our cooperation. A unified Southeast Asia will further strengthen economic cooperation. It will raise ASEAN in the consciousness of our peoples. That is why Cambodia, Laos, and Myanmar were invited to join us and various meetings and sessions were held with them. The Thai side accorded honorable reception to leaders of the six countries on the first day of their arrival. On the first night, we held an informal meeting. There were intensive consultations among ASEAN countries. Like the meetings of GATT or APEC [Asia Pacific Economic Coopertion], meetings at official-level must be held before those at the ministerial and the heads of government levels. Our Foreign Ministry officials, the foreign minister, and Deputy Prime Minister Amnuai Wirawan have been working and have held consultations with officials of other ASEAN members and the three countries that led to the signing of the protocol to amend the framework agreement on enhancing the ASEAN economic agreement, and the treaty of Southeast Asian Nuclear Free Zone by the heads of government. Meanwhile, the foreign ministers also signed four agreements. During informal meeting on the night of 13 December, we agreed that during the past 28 years, ASEAN should have convened about 10 summit meetings. However, for some reason, only five were held. Therefore, I proposed that we should have an informal meetings of ASEAN heads of government every year. Perhaps, in December every year after the annual APEC summit meeting. So there was a consensus yesterday that in December next year, Indonesia will host the first informal summit meeting of ASEAN heads of government to be followed in alphabetical order by Malaysia in 1997, and then we will go to Vietnam for the formal ASEAN meeting. We also discussed the Asia- Europe meeting to be held in March next year.

I would like to say that the importance that the EU attaches to ASEAN is quite evident. On 13 December, I received a congratulatory messages from Russian President Yeltsin and Chinese President Li Peng and the leader of the DPRK. After the Fourth ASEAN Summit in Singapore, the idea of establishing the Asia-Europe group was born. Our foreign minister and Deputy Prime Minister Amnuai have been working on the matter. Besides GATT, APEC, and ASEAN, we must admit that the groupings of countries on political, economic, or social lines is taking place in all parts of the world.

We have mapped out our clear stand for our meeting with the EU. It should be noted that the EU has moved far ahead of us, almost to the point of a single currency. We must also have our own stand even at the GATT meeting in Singapore next year.

I would like to stress that the appearance of ten countries, the leaders of ten Southeast Asian countries meeting here is a unique and interesting phenomenon. ASEAN is prepared to help other countries in the region move toward prosperity like us.

The Asia-Europe meeting is so important that it will be held at the ministerial level. Only 25 ministers and heads of government from 25 countries plus an EU representative will attend the meeting. One or two advisers of the host country might be allowed to be in the meeting room.

I must tell you that our ASEAN meetings during the past two days were quite heavy. The meeting on 13 December lasted almost three hours. After the opening ceremony, a formal session that lasted over three hours was held.

May I reiterate that at the closed-door session of the leaders meeting, Thailand proposed that there should be an informal meeting, informal summits, of ASEAN heads of government every year beginning from next year and that this was accepted. Indonesia will host the informal summit meeting in December next year. A second proposal that was reiterated at the closed-door session of the leaders' meeting was AFTA's [Asean Free Trade Area] aim of reducing tariffs from five percent to zero by the year 2003. It should now be set at zero percent. This was agreed to by all the leaders. Nevertheless, we will retain flexibility for certain items that might not be ready for tariffs to be reduced to zero percent under the AFTA, and discussions will be held as when necessary before 2003.

Thirdly, the Thai side proposed that ASEAN participate in the development of the Lower Basin of the Mekong River which has been undertaken out by five countries in the past several years. If all countries including Laos, Cambodia, and Burma take part in the development scheme, we will be able to induce China to join us. Another item that was discussed at the closed-door meeting was the future of ARF [Asean Regional Forum], the ASEAN International Forum for Peace and Security in this region. We also discussed the setting up of ASEAN fund to help member countries in various areas. The fund may have the concept of creating the ASEAN Free Investment Area or AFIA. The AFIA would be a long-term project but will be studied by the officials concerned.

Leaders of the seven ASEAN countries are satisfied with the outcome of the past four summit meetings. However, during this meeting, the leaders have shown their determination, eagerness and readiness to follow up with practical measures.

In brief, our future success is the eventual inclusion of the three countries into ASEAN after they understand the working mechanisms of ASEAN because it will display the potential for unity and cooperation among all the countries in Southeast Asia. We will have adequate bargaining power in dealing with other groupings of countries. Like APEC, if we use the same tariff rate, we will be able to freely do business, to trade, and invest and have lower prices for goods. It will be good for us in the future. These are what I want to tell the mass media.

Nuclear Accord Signed by Regional Leaders

BK1612105495 Bangkok THE NATION in English 16 Dec 95 p A5

[Unattributed Report]

[FBIS Transcribed Text] Leaders of the 10 Southeast Asian countries yesterday signed a historic treaty to declare the entire region a nuclear weapons free zone.

They also urged the declared nuclear powers — the United States, British, France, Russia and China — to sign the attached protocol and make the treaty an efficient tool to promote peace and stability in the region.

The Southeast Asian Nuclear Weapons Free Zone Treaty was signed by the leaders of the seven ASEAN nations — Thailand, Malaysia, Indonesia, Singapore, Brunei, the Philippines and Vietnam and the heads of the government of neighbouring Laos, Cambodia and Burma at the closing session of the Fifth ASEAN Summit.

It bans the possession, manufacture and acquisition of nuclear weapons, creating a nuclear arms-free zone stretching from Burma, Thailand and Vietnam in the north to the Philippines in the east and Indonesia in the south.

Agreement comes as the world prepares to implement a permanent nuclear nonproliferation treaty and with a comprehensive test ban treaty expected to be concluded next year.

Key elements of the treaty, which will take effect once formally endorsed by seven of the 10 signatory nations:

— The treaty will encompass the territories of all states in Southeast Asia — Brunei, Cambodia, Indonesia, Laos, Malaysia, Burma, the Philippines, Singapore, Thailand and Vietnam — and their respective continental shelves and exclusive economic zones.

— Each party undertakes not to develop, manufacture or otherwise acquire, possess or have control over nuclear weapons inside or outside the zone, and not to allow any other state to develop, station or test nuclear weapons in its territory.

— The treaty shall not prejudice the right of the parties to use nuclear energy, in particular for their economic development and social progress.

— Each state to decide for itself whether to allow visit by foreign ships and aircraft to its ports and airfields.

— A commission comprising each signatory's foreign minister to be set up to oversee the implementation of the treaty and ensure compliance with its provisions.
— An executive committee comprising a senior official from each state to ensure the proper operation of verification measures in accordance with the provision on the control system.

— Any dispute arising from the interpretation of the provisions of the treaty to be settled by peaceful means to be agreed upon by the parties to the dispute. If settlement is not possible within one month either party may, with the consent of the other involved parties, refer the dispute to arbitration or to the International Court of Justice.

— The five nuclear-weapons states — China, France, Russia, the United Kingdom, and the United States — undertake not to use or threaten to use nuclear weapons against any party to the treaty by acceding to the attached protocol.

U.S. Statement on Nuclear Treaty 'Not Negative'

BK1612135195 Bangkok BANGKOK POST in English 16 Dec 95 p 7

[Report by Anurat Maniphan, Phanrawi Tansuphaphon, Peter Maitri Ungphakon, and Nutsara Thaithawat]

[FBIS Transcribed Text] Leaders from ASEAN and its three neighbours signed the Southeast Asia Nuclear Weapon-Free Zone Treaty yesterday as the United

States issued a statement clarifying its concerns over the agreement.

ASEAN ministers and officials played down the reservations of the nuclear powers.

Thai officials described the US statement as "not negative". And Thai Foreign Minister Kasem S. Kasemsi said the protocol attached to the treaty could be amended to accommodate the nuclear powers' concerns.

But one ASEAN official, speaking on condition of anonymity, pointed out that even after the Treaty of Rarotonga in the South Pacific was modified to meet American requirements, the United States still took 12 years to sign it.

However, the official said at the end of the day the Southeast Asian signatories of ASEAN, Cambodia, Laos and Burma and the five nuclear powers, including the US, are all in favour of establishing a nuclear weapons-free zone in Southeast Asia.

The statement released by the US embassy said: "One of the most significant issues preventing us from supporting the treaty at this point is the inclusion of exclusive economic zones (EEZs) and continental shelves in the zone, which we believe is inconsistent with internationally recognised high seas freedoms of navigation and overflight."

"We feel that, to the extent that the SEANWF [Southeast Asia Nuclear Weapon-Free Zone] treaty imposes security obligations on non-treaty parties without their consent in areas where high seas freedoms exist, the treaty is inconsistent with the UN Law of the Sea Convention and sets an unfortunate precedent."

The US is also concerned that extension of the nuclear-free zone to cover economic exclusion zones and continental shelves "could be a source of conflict due to uncertainty over competing territorial claims in the region."

The ASEAN official acknowledged that even among ASEAN there were different interpretations of the treaty's implications. In particular, some acknowledged the references to economic exclusion zones and continental shelves could be interpreted as territorial or jurisdictional claims to the areas covered, whereas the law of the sea only grants rights to exploit resources in the zones.

But all members felt the treaty as a whole should prevent that kind of interpretation because of the specific references to the UN law of the sea, the ASEAN official said.

The US statement said consultations in Jakarta on November 16 were "productive and made progress in resolving some of our fundamental concerns."

It added: "They did not, however, resolve all of the issues of significant security interest to the US."

It said America welcomes reports that ASEAN states are willing to continue discussions with nuclear weapons states on their concerns.

Sources said the US wants to be clear the treaty does not affect its existing security arrangements with regional states such as Thailand and the Philippines and that it ensures freedom of navigation and overflights.

China, Britain and France have also expressed reservations on the ASEAN treaty.

According to French journalists, French officials say their country's reservations are similar to those of the Americans. But France is reluctant to speak publicly because of the recent controversy over its own nuclear testing.

The position of Russia, the fifth declared nuclear power is not known.

Meanwhile, Australia urged ASEAN and the nuclear weapons states to "make every effort" to settle any outstanding difficulties "as soon as possible."

A statement released by its embassy said Australia "warmly welcomes" the signature of the Southeast Asia Nuclear Weapon-Free Zone Treaty as an "important contribution" to regional security and a "concrete step" towards the goal of a nuclear weapons-free world.

The statement added that Australia is now giving thought to ways of taking forward the concept of a Southern Hemisphere free of nuclear weapons, because established and prospective nuclear weapon-free zones now cover most of the Southern Hemisphere.

The statement cited nuclear weapons-free zones established by the Treaty of Tlatelolco in Latin America, the Treaty of Rarotonga in the South Pacific and the recently concluded Treaty of Pelindaba Africa.

ASEAN Pledges To Help in Mekong River Scheme

BK1612160595 Bangkok BANGKOK POST in English 16 Dec 95 p 1, 3

[Report by BANGKOK POST reporters]

[FBIS Transcribed Text] Leaders of the seven ASEAN countries concluded their fifth summit yesterday with a pledge to work together to help the development of the Mekong sub-region, a process that would add China to regular deliberations.

Malaysian Prime Minister Mahathir Mohamad agreed to host a ministerial meeting in the next few months in Kuala Lumpur.

He said South Korea and Japan could also be invited if there are specific issues involving those countries.

Dr Mahathir and Singaporean Prime Minister Goh Chok Tong were most active in developing the idea during the closed-door session attended only by the seven leaders and interpreters, ASEAN sources said.

The Mekong development idea is seen as a merging of several proposals discussed over the past two days.

These include ways of helping Burma, Cambodia and Laos to develop market economies and join ASEAN, bringing other Asian countries into more frequent dialogue with ASEAN on issues of mutual interest, and establishing the East Asia Economic Caucus in a form less likely to draw American objections.

Afterwards, at the formal closing ceremony, the leaders and their ministers signed a Bangkok Declaration, the nuclear weapons-free zone and a number of other documents on political, economic and social cooperation.

The leaders agreed to Prime Minister Banhan Sinlapa-acha's proposal to make the final goal of free trade zero tariffs instead of the present 0-5 percent target.

This would require legislation in the Philippines where the law sets a minimum of 3 percent for some products. But Philippine President Fidel Ramos assured his colleagues the 0-percent tariffs could be achieved.

The target for completing negotiations on services liberalisation remains at three years although individually leaders said they agreed with Mr Banhan that 18 months should be enough.

The countries that would automatically participate in the Mekong development programme would be the ASEAN seven and the six countries sharing the Mekong river — Cambodia, Laos, Vietnam, Thailand, Burma and China.

The region, which also covers southern China, which has remained closed throughout the past decades, also offers abundant natural resources and a large pool of cheap labour.

Mr Goh said: "This is an exciting vision. I am glad that ASEAN has agreed to launch this new pattern of regional development cooperation involving other Asian countries by convening a meeting of the relevant ministers in Kuala Lumpur next year.

The first meeting will discuss cooperation in the Mekong Basin.

Mr Banhan welcomed the initiative, saying it was time for a more coordinate approach after individual governments or institutions had worked separately for the past years.

Leaders from Burma, Cambodia and Laos could be invited to an informal ASEAN leaders summit to be held annually between the formal summit held every three years.

The three countries have not yet been approached, a source said.

Indonesia, which hosted the first formal ASEAN summit, agreed to host the informal gathering in December.

Leaders from Burma, Cambodia and Laos joined their ASEAN counterparts in signing the Southeast Asian Nuclear Weapons-Free Zone, which the grouping had wanted to launch since the 1970's.

The treaty is the most significant document in the area of politics and security, among a total of 12 documents signed by ASEAN leaders and the relevant ministers at the closing.

The Bangkok Declaration also emphasised the 10-nation Southeast Asian community as envisioned by ASEAN's founding fathers.

Among economic documents signed were amendments to the ASEAN Free Trade Area agreements to take account of the latest changes, including the addition of agricultural products to the programme.

Also signed were agreements to negotiate services liberalisation and to develop cooperation on intellectual property — copy rights, trademarks and patents.

Before closing the summit the 10 leaders held a meeting with their counterparts from the three would-be members — Cambodia, Burma, and Laos. It was the first such meeting.

Burma Given Hint of ASEAN Observer Status

BK1612153695 Bangkok BANGKOK POST in English 16 Dec 95 p 7

[Report by Nutsara Sawatsawang and Somphon Thaphanachai]

[FBIS Transcribed Text] ASEAN leaders yesterday indicated they are prepared to extend observer status to Burma, defying calls to isolate the Rangoon junta for its human rights record.

The leaders' gesture came after they declared on Thursday that they wanted to unite 10 Southeast Asian nations under the ASEAN umbrella by 2000.

Burmese Prime Minister Gen Than Shwe yesterday lodged Burma's bid for observer status. His request came during an informal meeting between leaders of member states and those of Cambodia, Laos and Burma.

Last July Burma acceded to the Treaty of Amity and Cooperation at the ASEAN foreign ministers' annual meeting in Brunei.

General Than Shwe, chairman of the ruling State Law and Order Restoration Council, yesterday called on ASEAN to let Burma become an observer at next year's annual meeting of ASEAN foreign ministers. This would also make Burma eligible to take part in the ASEAN Regional Forum following the meeting.

The ASEAN leaders "neither responded nor objected" to Gen Than Shwe's request, meeting sources said.

This showed ASEAN leaders were prepared to embrace Burma, the sources said, noting the emphasis the leaders had placed on ways to achieve a 10-member ASEAN and smooth the entry of Cambodia, Laos and Burma.

Cambodia and Laos, which hold observer status, want to become full members within two years.

ASEAN leaders yesterday gave approved the organisation's involvement in infrastructure development in the Mekong River basin which takes in part of Burma. [sentence as published]

During the leaders' informal meeting yesterday it was suggested the Asia Pacific Economic Cooperation Centre for Technology Transfer could bolster this development, the meeting sources said.

Gen Than Shwe told ASEAN leaders that Burma's rich natural resources and manpower could contribute toward ASEAN's goal.

Burmese Foreign Minister: No 'Sleeping Partner'

BK1712115695 Bangkok THE SUNDAY NATION in English 17 Dec 95 pp A1, A2

[Report by Yindi Loetcharoenchot]

[FBIS Transcribed Text] Burma's foreign minister vowed yesterday that his country will not be a "sleeping partner", but an active member, when it joins the Association of Southeast Asian Nations.

Cold War politics led Burma to shun ASEAN when it was established 28 years ago U Ohn Gyaw said in an interview yesterday, following the first ASEAN Summit to include leaders from all 10 Southeast Asian nations.

Burma recognizes that ASEAN membership will not come overnight, he said. The country must first introduce economic and social reforms.

A rush into membership could be counter-productive for both Burma and ASEAN, he said, adding that the group needs to be receptive to prospective members.

Ohn Gyaw repeated the call made at the ASEAN Summit by Gen Than Shwe, leader of Burma's ruling junta, that the country be granted observer status next year. "We look forward to gaining observer status at the next ASEAN Ministerial Meeting in Indonesia," he said,

He added that the passing of the Cold War and economic and political reforms introduced after the 1988 coup by the State Law and Order Restoration Council (SLORC) had paved the way for the quick integration of Burma into ASEAN.

"We have changed and the Cold War is over, leaving the way clear for us to take much faster steps toward membership," Ohn Gyaw said.

ASEAN, which sided with the United States' anti-communist campaign in the region during the Cold War, announced last week that it hopes to expand to cover all 10 Southeast Asian countries by 2000.

"If ASEAN is prepared, of course, we will be more than happy (to join by the year 2000) ... We do not wish to intrude or make demands. We want to follow the membership process and principles," Ohn Gyaw said.

He said Burma must further alter its economic and social policies in accordance with ASEAN guidelines before it can become a full member.

"If to do what we are supposed to do internally with our domestic economic and social policy, then we will be doing our best."

He said Burma's accession to the 1976 ASEAN Treaty of Amity and Cooperation alone was not sufficient for full membership. The country must catch up with ASEAN members' achievements and visions as well.

Ratification of the treaty guarantees a country ASEAN observer status and is the first step toward full membership.

The Burmese minister said Burma needs time to catch up with ASEAN innovations like the ASEAN Regional Forum, the ASEAN Free Trade Area and the Asia-Pacific Economic Cooperation forum.

"These are things that we have to take our time with. Although we would like to place ourselves into the ASEAN fold overnight, it would be counter-productive for both ASEAN and Burma."

He said Burma needs to change many of its domestic policies.

"We have to liberalize our laws. We have to make arrangements for the expansion of our trade. There are many things, many considerations."

The country's planners and people also need training, Ohn Gyaw said.

"We need to be sure that we can contribute... We have 45 million people and 260,000 square miles of land. We have a great deal of potential manpower and natural resources.

"When we become a member, we do not want be a sleeping partner. We would like to be very active. We would like to contribute our strengths. But without experience and without a foundation of economic infrastructure, one cannot do it."

Ohn Gyaw said Burma considers itself a Southeast Asian nation and hopes to be a part of ASEAN, which "is solidly in a leading role now".

The integration of 10 regional countries into ASEAN would be "solid proof that we have a shared destiny, mutual confidence in one another," he said.

The Burmese minister welcomed ASEAN's effort to incorporate the Mekong sub-region, but said Burma has yet "to understand the thinking behind it and ASEAN's planned mechanisms for development.

"We are very interested and are keen to learn and participate in it," he said.

Informal ASEAN Summit 'Indirectly' EAEC

BK1612101395 Kuala Lumpur THE STAR in English 16 Dec 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] BANGKOK — The informal Asean summit to be held annually from next year is an indirect reflection of the East Asia Economic Caucus (EAEC), Datuk Sri Dr Mahathir Mohamed said. The Prime Minister said such informal sessions had already been convened at ministerial levels and would now be elevated to leaders platform.

He said Laos, Cambodia and Myanmar [Burma] would be invited to attend the informal summits, adding that China, Japan and South Korea would be invited if there were issues involving them.

"Certainly when Asian leaders meet their European counterparts (at the Asia-Europe summit [Asem] in March), the Asian participation is what the EAEC is to be if it is formed.

"In many other matters as well, we find the structure of the EAEC is there although the other parties have yet to recognise the caucus. But indirectly, the EAEC exists.

"The fact is that the co-operation is there among these countries (EAEC prospective members)," he told newsmen after the fifth Asean summit.

Dr Mahathir said Asean was not labelling the informal summit or the Asian participation in Asem as EAEC but it was open to interpretation.

He said the idea of the EAEC was well supported in talks at the Asean summit, contrary to popular belief.

"Although it is not an EAEC yet, we will be working closely with East Asian countries in the EU meeting and in the meetings to be held in Kuala Lumpur next year to develop the Mekong Basin."

To another question over Canberra's participation in subsequent Asem meetings, Dr Mahathir said he found it hard to define Australia as an East Asian nation and maintained it was a continent of Australasia on its own.

"My view is that the Asian countries should be allowed to go on as we still cannot identify Australia as East Asia. Only East Asian countries are involved here and that is the agreement in Asean."

Meanwhile, a pledge sealed and signed in Kuala Lumpur 24 years ago towards making South-East Asia a zone of peace, freedom and neutrality assumes a new and greater dimension with the signing yesterday of a treaty banning nuclear weapons in the region.

Asean leaders and three non-Asean states — Cambodia, Laos and Myanmar — inked a treaty declaring the region free of nuclear and other weapons of mass destruction.

The historic signing of the 22-article treaty underlined determination by Asean and the three states to take concrete action towards general and complete disarmament of nuclear weapons and promotion of international peace and security.

Canberra Excluded From Informal ASEAN Summit

BK1612134695 Melbourne Radio Australia in English 1100 GMT 16 Dec 95

[FBIS Transcribed Text] In a new blow to the Australian Government's Asia policy, the country's representatives have been excluded from regular informal meeting of East Asian leaders. The Informal ASEAN Leaders' Summit is a de facto version of Malaysia's East Asia Economic Caucus [EAEC], an idea Canberra vigorously opposes as an unnecessary regional division. But Evan Williams reports Malaysian Prime Minister Mahathir Mohamed says Australia will not be invited until it stops public criticism of its neighbors or eventually becomes Asian.

[Begin Williams recording] Singapore's prime minister, Goh Chok Tong, announced the annual Informal Leaders' Summit is a way to ASEAN's economic and political programs. Other Asian nations — Japan, South Korea, and China — may also be invited [words indistinct] areas of common interests. That's virtually the EAEC as proposed by Malaysia but Malaysian Leader Mahathir Mohamed said Australia will not be invited because it is not East Asian and will not be considered as such until it behaves in an Asian way by refraining from public and vocal criticism of its neighbors. He refers to Australian reports of Malaysians cutting up Vietnamese refugees in the 1970's. Dr. Mahathir says Australia has its own continent but it may one day identify itself so much with Asia that it has to be accepted or it may have to wait until its population is Asian. [end recording]

Regional Development Plans Explored by Nations

BK1612155095 Bangkok BANGKOK POST in English 16 Dec 95 p 6

[Report by BANGKOK POST reporter]

[FBIS Transcribed Text] Suddenly, over the past few days the idea of ASEAN coordinating a comprehensive development plan for the Indochinese countries, Burma, and perhaps even southern China, has gained momentum.

In an interview with THE BANGKOK POST, Singapore's Prime Minister Goh Chok Tong advocated beefing up some existing development programmes and encouraging the private sector to participate.

He said the private sector could identify promising activities and governments could help them work among themselves.

In his speech at the summit's opening ceremony on Thursday, Mr Goh made another proposal.

He said ASEAN leaders should meet informally more often and invite other Asian countries such as China, South Korea and Japan to participate.

During closed-door sessions on Thursday, the two ideas were raised.

ASEAN plus the other three — perhaps as a revised East Asia Economic Caucus [EAEC] — could coordinate the work. The EAEC, intended to be a loose, consultative forum exclusively for Asian economies, has so far failed to take off.

A number of ideas are being discussed, including a proposal by the Philippines that work should be extended to cover disputed islands in the South China Sea.

In fact, the ideas put forward by Mr Goh are not new.

Malaysian Prime Minister Mahathir Mohamad is said to have suggested something similar when he met Mr Goh recently.

And two Thai deputy prime ministers — Dr Suphachai Phanitchaphak in the last government and his successor Dr Amnuai Wirawan — have both argued the private sector should be brought in.

There are already a number of existing programmes for developing the region. It is not clear yet how the proposals discussed over the past two days will blend in with the other projects.

Mr Goh envisaged ASEAN's role as an extension of the triangle- quadrangle idea, but so far private sector participation has not been enthusiastic.

So what are these other projects and how do they differ?

1. Regional geometry [subhead]

Since the early 1990's the Asian Development Bank (ADB) has been a prime mover behind the ideas that have become known as growth triangles, quadrangles and hexagons depending on the numbers of countries involved.

Thailand has coined the terms "golden quadrangle" for a project linking northern Thailand, Laos, Burma and southern China, and "economic hexagon" for the same four regions plus Vietnam and Cambodia.

The bank has two broad targets: to create effective market economies and strengthen infrastructural links for the region as a whole through land, air, and water transport networks. It has conducted feasibility studies for these purposes.

The project closest to fruition is the development of the Bangkok-Phnom Penh-Ho Chi Minh-Vung Tau road, work on which is expected to start next year. This involves completing links or upgrading quality along a route that largely already exists.

Another is the "East-West Corridor" linking northeast Thailand, central Laos and central Vietnam. Some discussion continues about its appropriate route. Links already exist but they are only usable during the dry season.

The ADB is also working on developing "soft infrastructure" — laws and regulations.

It aims to harmonise customs and immigration laws to enable smoother flow of people and goods in the six countries: China (principally Yunnan), Burma, Laos, Thailand, Cambodia and Vietnam.

Other projects concern the development of tourism, monitoring of the environment (linking with the UN Economic and Social Commission for Asia and the Pacific or ESCAP, the UN Environmental Programme and the Mekong Commission Secretariat), developing navigation and upgrading major airports. Training courses for tourism officials and others is included.

The governments of the Mekong countries are eager for these projects to get off the ground, especially China's Yunnan province which is locking for a supply route, markets and sea exit.

Cambodia and Vietnam also want outside help to develop their economies, while Burma and Laos are the most cautious for political reasons.

The private sector has been kept informed throughout and has expressed interest, but it is not investing.

It claims the projects are too big and too expensive and that the local conditions in each country are still too uncertain.

They have also pointed to the lack of laws and regulations and their implementation.

2. Mekong Commission [subhead]

This UN-sponsored programme has been around for decades.

It concentrates on projects connected with water in the lower Mekong Basin including irrigation and hydroelectric dams.

The upper Mekong is not covered because Burma and China have refused to join, although the two are now sending officials to Mekong Commission meetings.

The programme includes some additional projects such as environment and tourism. Funding comes from donor countries, with the Europeans providing a large chunk, and the UN Development Programme.

3. ASEAN-MITI [subhead]

ASEAN and the Japanese International Trade and Industry Ministry (MITI) have set up a working group on Indochina and Burma.

Work has only just begun, the two sides having identified at their meeting in Brunei in September seven possible areas of cooperation. They are:

— Promoting the transition of nations to market economies;

— Establishing special market economic zones;
— Supporting infrastructure development;
— Providing trade and investment policy review;
— Enhancing market links on a sectoral basis;
— Providing cooperation in the development of mineral resources;
— Supporting the training of people.

One of the ideas discussed is the development of a model city.

A sub-committee of experts has also drawn up an initial proposal for raising accounting standards to help countries change to market economies.

Area Investment Among ASEAN Nations Urged

BK1612160295 Bangkok BANGKOK POST in English 16 Dec 95 p 6

[Report by Somphon Thaphanachai Nutsara Sawatsawang]

[FBIS Transcribed Text] A regional plan will be drawn up to smooth investment within Southeast Asia.

Officials would work out the details of the plan to keep investment in the region, Prime Minister Banhan Sinlapa-acha said after the close of the summit yesterday.

The idea was proposed on Thursday by Singapore's Prime Minister Goh Chok Tong in response to Malaysian counterpart Mahathir Mohamed's remark that industries had difficulty relocating within ASEAN because members had different regulations.

Many Malaysian investors moved their businesses out of the region to countries such as China, he told other ASEAN leaders, according to meeting sources.

"The promotion of direct investment into and among ASEAN members will help in the development and growth of the ASEAN economies," the leaders announced in the summit declaration.

Singapore's premier did not press for urgent action on his idea, but he urged members to give it serious thought so it could materialise in 10-15 years, the sources said.

Mr Banhan told a press conference all leaders welcomed the initiative.

The ASEAN leaders also told officials to work out ways for members to help each other financially during a monetary crisis.

The issue was raised by Indonesian President Suharto who said his country faced problems of dwindling currency reserves as it had invested heavily in infrastructure development, according to ASEAN sources.

The president was worried about Indonesia's vulnerability to a monetary crisis as a result of speculation, the sources said.

Although Indonesia has assets worldwide, it has difficulty raising capital in an emergency. President Suharto asked whether it was possible for central banks of ASEAN members to grant each other assistance.

The ASEAN leaders, according to one source, discussed the possibility of modelling this arrangement on that practised by the Group of Seven industrialised nations.

Cash-rich Singapore agreed with the president's proposal, the ASEAN sources said.

Separate Service Liberalization Talks Proposed

BK1612155495 Bangkok THAILAND TIMES in English 16 Dec 95 p A1

[Report by P. Phongphiphatthanaphan]

[FBIS Transcribed Text] Bangkok — Thailand has proposed that liberalization of the service and finance industries should be discussed separately from AFTA [ASEAN Free Trade Area] tariff cuts, Somchai Ruchupan, Director General of the Fiscal Policy Office said yesterday.

"Tariff cuts and the liberalization of the service and finance industries are different srategies, so the two issues should be discussed separately at the SEOM [expansion unknown] next month," the director-general said.

Liberalization of services will include communication, transportation, and insurance. The ASEAN summit yesterday agreed with Thailand's proposal to shorten the timeframe for service liberalization to the two years running from 1 January, 1996 to 31 December, 1997. Thailand's original proposal was for a reduction to one and a half years.

Deputy Prime Minister Amnuai Wirawan said a single ASEAN currency and customs union would be possible but would take time.

Malaysian Prime Minister Mahathir Mohamad agreed and voiced Malaysia's support for the idea, but added that it was not possible to achieve those goals at the moment.

"The strong European Monetary Union has been trying to create a single currency in the region, but they have faced a mountain of obstacles. ASEAN would face the same brick wall and would take much longer," the premier said.

Commenting on the proposed ASEAN Free Investment Area (AFIA), Amnuai said ASEAN would be considered as one country in order to permit investors from other ASEAN states to hold more than 25 percent of the shares in Thai companies.

Asia Disaster Prevention Conference Held in Kobe

Disaster Prevention Center Urged

OW1712110895 Tokyo KYODO in English 0857 GMT 17 Dec 95

[FBIS Transcribed Text] Kobe, Dec. 17 KYODO — Prime Minister Tomiichi Murayama on Sunday [17 December] proposed the creation of an Asian disaster prevention center to collect data, coordinate mutual assistance and aid developing countries in preventing and coping with disasters.

In an address to an Asian disaster prevention conference in Kobe, which was devastated by the Jan. 17 earthquake, Murayama thanked aid donors in connection with the quake and expressed hope that other countries would learn from that experience.

More than 5,500 people perished in the great Hanshin earthquake.

Farm, environmental and other ministers in charge of disaster prevention measures from China, Vietnam, Russia and over 20 other countries, joined their Japanese counterparts in attending the Kobe conference.

The United States, Britain and France are also sending observers to the two-day conference, which concludes Monday with a joint declaration on working together to prevent and fight disasters such as earthquakes and volcanic eruptions.

After his speech to the disaster prevention conference, Murayama presented mufflers and gloves to earthquake orphans at a Christmas party on Port Island in Kobe's Chuo Ward.

At temporary shelters for quake survivors, Murayama cheered up elderly people and promised efforts to help them in cooperation with the prefectural and city governments in Hyogo Prefecture.

About a dozen elderly citizens presented the 71-year-old premier with red paper roses.

Conference Concludes on 18 Dec

OW1812121295 Tokyo KYODO in English 1135 GMT 18 Dec 95

[FBIS Transcribed Text] Kobe, Dec. 18 KYODO — An Asian disaster prevention conference in Kobe, western Japan, ended Monday [18 December] with a declaration calling for the creation of an Asian disaster prevention center to collate data, coordinate assistance, and aid developing countries in preventing and coping with disasters.

The nine-point Asian natural disaster reduction conference declaration states that the strengthening of measures against earthquakes, volcanic eruptions, floods and other natural disasters is "one of the most important policy challenges shared by countries in the Asian region."

It says assistance in the event of such disasters is not enough, and that countries in the region should cooperate by pooling their strengths to establish an information network, including early warning systems, aimed at preventing such disasters.

In a reference to Japanese Prime Minister Tomiichi Murayama's proposal, put to the conference on its first day Sunday, for the creation of an Asian disaster prevention center, the declaration says the matter will be decided through further consultations among experts.

The declaration also acknowledges the vulnerability of developing countries in the Asian region to natural disasters.

"Particular care should be given to support for the less- developed countries, where a natural disaster could be a fatal blow to development and has the potential to produce economic and social losses of drastic proportions," it says.

Ministers and delegates responsible for disaster reduction policies from 27 countries, mainly in the Asian region, attended the conference.

A number of other countries, including the United States, Britain and France, also sent observers to the conference.

Much of Kobe was destroyed and more than 5,500 people perished in the Great Hanshin Earthquake which struck the area Jan. 17.

Japan

Tokyo Now Seeking Clinton Visit in Late Apr

OW1612054395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Dec 95 Morning Edition p 2

[FBIS Translated Text] The Japanese Government finally concluded on 14 December that there is no possibility of U.S. President Bill Clinton visiting Japan this January, and so began making arrangements with the United States to invite him to visit in late April. This was revealed by a top Foreign Ministry official. In explaining reasons for the decision, the official clearly said: First, there is not enough time to achieve Clinton's visit next month. Second, with the U.S. presidential primaries heating up in February and March, the possibility of Clinton visiting Japan then is slim.

Concerning the scheduling of Clinton's visit, Japan declined the original U.S. request to set it for early next year, claiming that many Imperial events will be held in that period. As an alternative, Japan proposed a visit in late January. However, the government has given up on its offer because the United States has not replied, even though it is mid-December. Japan is now seeking to invite Clinton before or after he attends the summit on nuclear security issues to be held in Moscow in late April.

Insurance Agreement Talks Expected With U.S.

OW1612003195 Tokyo KYODO in English 2308 GMT 15 Dec 95

[FBIS Transcribed Text] Washington, Dec. 15 KYODO — U.S. and Japanese negotiators will meet here next week to discuss what the U.S. side sees as problems in implementing the bilateral insurance agreement, U.S. and Japanese officials said Friday [15 December].

"I believe we'll be having consultations next week," Deputy U.S. Trade Representative Charlene Barshefsky told reporters at a foreign press center briefing.

A Japan [words indistinct] speaking on condition of anonymity, said the two nations are still in the process of arranging the schedule but the venue will probably be Washington.

Barshefsky said, "The concern has to do with one of the most important aspects of the insurance agreement, and that is the treatment of the so-called third sector in Japan."

Under the September 1994 insurance accord: Japan agreed to delay the entry of major Japanese insurance firms into the third sector, which involves specialty products such as cancer insurance with combination of life and non-life insurance benefits.

"The Japanese Government's position, as we understand it, is that new subsidiaries of existing life and non-life insurance companies may enter the third sector even though the first and second sectors have not yet been liberalized and even though foreign carriers have not had an opportunity to participate in these sectors," Barshefsky said.

"This violates the agreement, and we are in consultation with Japan over this issue," Barshefsky said.

MOF Denies Auto Insurance Accord With U.S.

OW1812092695 Tokyo TOKYO SHIMBUN in Japanese 12 Dec 95 Morning Edition p 9

[FBIS Translated Text] It was disclosed on 11 December that the Japanese and U.S. Governments reached a secret agreement at the talks on the insurance sector held in October 1994 based on the Japan-U.S. Framework Talks on bilateral trade. Immediately after reaching this accord, U.S. Trade Representative Mickey Kantor sent a message to the International Insurance Council (IIC), a U.S. insurance business organization. In the message, it is clearly stated that "we have confirmed with the Japanese Government that such areas as auto insurance premiums will be liberalized in three years." Meanwhile, the Japanese Government has thus far explained that "no concrete accord was reached on the period of time before the liberalization." In this connection, it is expected that the domestic nonlife insurance business circle will be strongly opposed to the liberalization of the auto insurance business, which is the main source of the profits of this circle.

The agreement on the insurance sector states that "'a reasonable period of time' will be set so that foreign-affiliated insurance companies may join in competition under equal terms in the 'major categories of commodities' of both life and nonlife insurance business in Japan" but that liberalization of the third field such as anti-cancer insurance business, which is monopolized by foreign- affiliated companies, will be postponed.

After explaining in his message that "auto insurance business is included in the 'major categories of commodities,'" Kantor pointed out that "a reasonable period of time means three years." Major insurance companies at home have demanded that "the third field" such as the anti-cancer insurance business should be liberalized in three to five years. According to the secret agreement, however, before business in this field is liberalized, auto and fire insurance contracts designed for companies and to be provided by all insurance companies at the same premium rate will be extensively liberalized.

Nevertheless, based on the new Insurance Business Act, slated to go into effect on 1 April 1996, the Ministry of Finance [MOF] intends not to start an overall liberalization but to limit the premium liberalization to auto insurance contracts for companies with over 10,000 vehicles or on fire insurance contracts for companies with indemnities totaling over 30 billion yen.

[TOKYO SHIMBUN adds the following item titled "The Ministry of Finance Denies 'Agreement'"

[Concerning the disclosure of a secret agreement reached between the Japanese and U.S. Governments on the insurance sector based on the Japan-U.S. Framework Talks on bilateral talks, a source at the Insurance Department under the Banking Bureau of the Ministry of Finance stated on 11 December: "Nothing could be either added to or deleted from the document of the agreement (that has been made public.) An secret agreement to that effect does not exist."]

Nippon Paper To Battle U.S. Antitrust Charges

OW1812051595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Dec 95 Morning Edition p 11

[FBIS Translated Text] Nippon Paper Industries [NPI] disclosed on 14 December that it plans to fight a court battle against charges filed by the U.S. Justice Department of violations to the Antitrust Act (U.S. antimonopoly law) with regard to the raising of prices on its brand of thermal fax paper sold in the United States. In addition to denying any allegations of involvement in a price agreement, the company is asserting that the steps taken by the Justice Department correspond to an extra-territorial application of U.S. antimonopoly law. In 1994, Mitsubishi and New Oji Paper were exposed of similar allegations for which they agreed to pay penalties.

The NPI gave the following reasons for fighting its case in court: 1) The company has not been involved in price agreements at all; 2) it is unfair to apply the Antitrust Act to indict the company for price hikes that are necessary for it to conform with antidumping laws; and 3) the U.S. action corresponds to an extra-territorial application of the antimonopoly law.

SOFA Talks Expected 'Before' Year-End

OW1812023695 Tokyo SANKEI SHIMBUN in Japanese 12 Dec 95 Morning Edition p 1

[FBIS Translated Text] On 11 December the government decided on its plan to handle 10 requests for a review of the Status of Forces Agreement [SOFA] submitted by the Okinawa prefectural government.

The government feels it will be possible to promptly deal with certain requests and so, according to the plan, consultations with the U.S. side will start before the end of the year. These requests include one for concluding an agreement on preventing noise pollution and another for installing easily recognizable license plates for U.S. military vehicles. The government has, though, decided it will be impossible to comply with two other requests, including one to tax privately-owned vehicles of members of the U.S. military, but that efforts will be made to win the local government's understanding.

Tokyo maintains that these measures, which aim to improve SOFA implementation, will "eventually lead to a substantial settlement of the problems." However, as the local government demands a drastic settlement, including a revision of the agreement, it will still take time to win its understanding.

At the second working-level session on 15 December of the "Coordinative Council on U.S. Military Base-related Issues" set up between the central and prefectural governments, the government intends to tackle Okinawa prefectural government requests for a review of the SOFA. Among the 10 requests, accord has already been reached on improving implementation of Article 17 on judicial authority. No consultations will be held on the request to revise Article 2 in connection with realignment and reduction of military bases until January, when the Okinawa prefectural government is due to submit its development program: "The Okinawa International City Project". Consultations this time, therefore, will involve only eight requests.

Of these the government has decided it can quickly deal with two — concluding an agreement on preventing noise pollution (in connection with Article 3), and the fitting of easily recognizable license plates for U.S. military vehicles (in connection with Article 10). On the issue of reducing noise pollution, the same restrictions on flight training hours and flight altitude that apply at Atsugi Air Base in Kanagawa Prefecture will be in force at both Kadena and Futenma Air Bases. On the other issue, removable license plates will be fitted to U.S. military vehicles during their activities in Okinawa.

The Okinawa prefectural government also wants the Japanese Government to make advance payment of compensation to victims of crimes committed by members of the U.S. Forces, as stated in Article 18, because it takes time for the U.S. side to pay compensation. However, Tokyo feels it will be difficult to comply with this request because of the expenses and labor involved, but, based on the local government's wishes, it will ask the U.S. to shorten the time it takes to make complete payment of compensation. On the issue of marching by U.S. forces in civilian areas, talks will be held with the

U.S. on restricting the time given to this activity and the areas in which it takes place.

The Defense Facilities Administration Agency feels that preventing the outflow of red clay from U.S. military facilities to protect the environment, as in Article 3, can possibly be settled by completing the erosion control dam project which is now in progress. If, though, the local government indicates any dissatisfaction with this, the government will study the possibility of taking such measures as reinforcing the dam.

Meanwhile, on the issue of Article 9, U.S. quarantine inspectors are already working on an inspection, based on the standards applied to Japanese citizens, of the health and hygiene of the members of the U.S. armed forces. Following confirmation of the inspection, the government will ask the U.S. side for further improvements, if and when necessary.

The government has decided that the request in connection with Article 13, however, that all privately-owned vehicles of members of the U.S. military bear the same taxation rate as privately-owned vehicles of local residents, will be impossible to comply with. It would transgress international rules and U.S. servicemen would then face double taxation — both in Japan and at home.

The government feels also it will be difficult to prohibit Japanese citizens from using golf ranges within U.S. facilities, in connection with Article 3. It also considers that the issue in connection with Article 6 on air traffic control is involved with other issues such as the one on realignment and consolidation of military bases, as well as the one on air zones, and so talks will be held on this at the working-level meeting scheduled for next year.

Okinawa Base Committee Holds 2d Meeting

OW1812103695 Naha RYUKYU SHIMPO in Japanese 16 Dec 95 Morning Edition p 1

[FBIS Translated Text] Tokyo — On 15 December, the second working-level meeting of the "Okinawa Base Issue Committee," a consultative body between the central and Okinawa prefectural governments, was held at the Prime Minister's Office. During the meeting, Okinawa demanded the revision of the Japan-U.S. Status of Forces Agreement, while Tokyo offered a plan to first deal with such issues as concluding an agreement with the United States on preventing the noise pollution caused by Kadena Air Base [KAB] and Futenma Air Station. Because the plan was accepted by the prefecture, the government intends to present it at the first working-level meeting of the "Special Action Committee on Okinawa's Military Facilities and Districts," which will be held before the end of the year.

The central government also proposed dividing Okinawa's demands into three groups because some are immediately negotiable with the United States, while others will take time to review. The government indicated that it would start negotiations with the United States within the year on Okinawa's demands for concluding a noise prevention accord, having all U.S. Forces' vehicles bear readily recognizable identification numbers, applying Japanese laws in the quarantine of animals and plants and hygiene standards for U.S. military personnel, and restricting Japanese entry onto golf courses operated by U.S. Forces.

The demands categorized in the second group are those that Tokyo hopes to hear the prefectural government's views again. They include preventing red mud flow from U.S. military bases and compensating Okinawan residents who have suffered damage from U.S. military personnel. As for the demands that fall under the third group, the central government said it would study measures to satisfy them while seeking detailed explanations from the U.S. Forces. They include restricting low flying by U.S. military aircraft, preventing environmental disruption by live-fire training exercises, reporting the causes of aircraft accidents to the prefectural government, prohibiting U.S. Forces from using private airports (except in emergencies), and banning military marches through private areas.

Concerning the noise pollution caused by U.S. military bases, the prefectural government demanded the restriction of night flights by U.S. military aircraft for a longer time frame than stipulated in the agreement signed to prevent noise from Yokota and Atsugi Air Bases and relocating a naval hardstand at KAB to another place. Whether or not these demands will be fulfilled depends on whether or not Tokyo will be able to reach compromises with the United States. The central government plans to hear Ginowan City and Kadena-cho's opinions on this matter around 20 December.

During the meeting, the prefectural government referred to the issue of downsizing Futenma Air Station and agreed to discuss the details at the next meeting slated for 30 January, or after the prefectural office finishes drawing up an action program for the return of U.S. facilities to Okinawa.

The government officials who attended the 15 December meeting included Deputy Chief Cabinet Secretary Teijiro Furukawa; Masaki Orita, head of the North American Affairs Bureau; and Defense Agency Director General Masuo Morodomi. Attending from Okinawa were Vice Governor Masanori Yoshimoto, Policy Coordinator Choko Takayama, and other prefectural government officials.

Workers at U.S. Base on Okinawa Plan Strike

OW1512053795 Tokyo KYODO in English
0358 GMT 15 Dec 95

[FBIS Transcribed Text] Naha, Japan, Dec. 15 KYODO — Japanese workers at a milk plant inside a U.S. Marine Corps base in Okinawa Prefecture will go on a 48-hour strike next week to protest the scheduled closure of the plant at the end of March, their labor union said Friday [15 December].

The 55 Japanese workers at the Okinawa milk plant at Urasoe in the southern part of Okinawa island, southwestern Japan will start the strike Dec. 22, the union aid.

The workers are requesting the U.S. military to retract the decision to close the plant and change their status from being employees of a private U.S. company to being indirect employees of the Japanese Government.

The plant produces 5,000 liters of milk annually for U.S. personnel in Okinawa.

Japanese employees of Kanagawa Milk Plant in Yokohama, south of Tokyo, which produces milk for U.S. servicemen in other parts of Japan, are indirectly employed by the Japanese Government, according to the union.

Okinawan Official Modifies Position on Leases

OW1812063295 Naha RYUKYU SHIMPO
in Japanese 16 Dec 95 Morning Edition p 2

[FBIS Translated Text] Ginowan — On 15 December, Mayor Seiken Tobaru of Ginowan City commented on his previous statement on his refusal to renew lease contracts with the national government for city-owned land inside the Futenma Air Station and at one other location, which will expire by March 1997. He said: "Considering the legal force of the precontract already signed with the national government, rejection may be difficult." He indicated a retraction of his position.

This was a remark made in response to a question during the general interpellation at the regular session of the city assembly for December.

Tobaru said: "Although we will still look at whether or not it is possible to refuse to renew the leases, considering the legal force of the precontract, this may be difficult."

Tobaru once stated that: "The solution to the problem of bases in Okinawa is at a historical turning point. As a local government unit, we are considering refusing to renew the contracts," demonstrating a strong intention to "reject the contracts." However, in view of the "precontract" with the national government, he now seems to be inclined to believe that it would be difficult to insist on "rejection."

Ginowan City will come up with an official decision on whether to "reject" the contracts after going through internal coordination.

Editorial on Refusal To Circulate Lease Notices

OW1712055695 Naha RYUKYU SHIMPO
in Japanese 14 Dec 95 Morning Edition p 5

[Editorial: "The Central Government Should Think About the Reason Okinawan Municipal Governments Refuse To Circulate Notices"]

[FBIS Translated Text] Article 1 of the Compulsory Purchase of Land Act stipulates its objectives as follows: "It is aimed to coordinate the promotion of public interests with private property and to contribute to the appropriate and rational use of national land."

The forced use of land for U.S. military bases is based on this act. Does the land use for U.S. military bases really lead to the "promotion of public interests?" This question was often raised by so-called antiwar landowners at past public hearings of the Okinawa Land Expropriation Committee. However, every time the committee pronounced a verdict on forced land use, it avoided forming a judgment on the propriety of the Japan-U.S. Security Treaty, the very root of the issue. We would like to closely watch the development of the situation, hoping that the verdict to be pronounced by the committee this time will be different from the past.

Regarding the forced land use procedure, Chapter 4 of the act stipulates: "The heads of municipal governments have to circulate documents on forced land use to the public for two weeks from the day of the public notification." This is the so-called "circulation of notices [kokoku juran]." A RYUKYU SHIMPO survey has revealed that eight of the nine heads of cities, towns, and villages where land subject to forced use is located intend to refuse the circulation of notices. Among them are the three conservative chiefs of Onna Village, Kadena Town, and Urasoe City.

Given this situation, it has become certain that the procedure for compulsory land use for U.S. military bases, whose contracts expire in May 1997 (some expire at the end of March 1996), will be further delayed. Consequently, it is most likely that some of the military land will be "occupied illegally." In the past, there was a "legal void of four days" due to a delay in the procedure. However, the current case will become more serious.

This is because the central government first has to settle its lawsuit against Okinawan Governor Masahide Ota —

who has refused to sign documents needed for forced land use by proxy — demanding that the governor execute a job ordered by the central government. Now that it has revealed that eight of the nine municipal governments intend to reject the circulation of notices, the forced land use procedure will be further delayed.

The central government should seriously consider the reasons why the local government heads intend to refuse the circulation of notices on behalf of local residents. It should think about the reason why even the conservative heads who take the stand of approving the security treaty refuse to undertake the procedure.

Onna Village chief Shigemasa Higa said: "The situation has drastically changed since the rape of the schoolgirl, allegedly by U.S. servicemen. Because there has been no progress in efforts to revise the Japan-U.S. Status of Forces Agreement, as well as to realign and reduce U.S. bases, we cannot perform the circulation of notices."

Urasoe City Mayor Seiko Gibo said: "With no progress in efforts by both the Japanese and U.S. Governments to solve the base issue, we will refuse the procedure."

Ginowan City Mayor Seiken Tobaru said: "Now that the Cold War is over, the forced use of private land for U.S. military bases should not be allowed."

Chatan Town chief Choichi Hentona said: "Considering the present social situation and problems facing Okinawa, it is extremely difficult to accept the circulation of notices."

The support rate for the Murayama cabinet has dropped to 34.3 percent, the lowest rate since its inauguration in June 1994. This "unpopularity" is probably attributable to "various factors such as the economic recession." Nevertheless, it is possible to believe that the Murayama cabinet's support rate has been seriously affected by its "vigorous action" of filing a lawsuit, in which Governor Ota "is being accused." The first hearing of this "proxy signing" lawsuit will be held on 22 December. The confrontation between the central government and the local governments will be demonstrated more vividly there. That will be a historical trial in the sense of how the "awakening of the local governments," which portrays the opening of the age of decentralization, will be judged.

The central government should keep in mind the fact that the refusal of the circulation of notices by eight municipal heads has reflected the views of the Okinawan people.

Editorial: 'Bold' U.S. Proposals on Base Issues

OW1812103195 Naha RYUKYU SHIMPO in Japanese 15 Dec 95 Morning Edition p 5

[Editorial: "Attention Should Be Given to U.S. Government Measures Taken on Base Issues — Local Governments' 'Rejection' Causing Serious Impact"]

[FBIS Translated Text] Japan and the United States will hold the third "Special Action Committee" session in January to discuss issues related to realignment and reduction of U.S. military bases in Japan. It was reported that at the upcoming session, the United States will present a comprehensive and detailed proposal for "very extensive measures" aimed at reducing or consolidating functions of the U.S. military bases on Okinawa or at reducing burdens imposed on local residents; furthermore, that the United States will agree to include a passage on reducing U.S. military bases in Okinawa in the official document, "Joint Statement on Security," to be issued at the Japan-U.S. summit talks. The two governments are currently coordinating on holding the summit talks next year.

That was disclosed by a senior U.S. Defense Department official to a KYODO NEWS AGENCY reporter in Washington. The U.S. approach seems to be more flexible than that of the Japanese Government because it has been repeating like a parrot what the United States stated in its "Report on the Security Strategy in the East Asian and Pacific Region" (also known as EASR or the third East Asian Strategic Concept," and also the need to maintain its military strength of 100,000 troops in the Asian-Pacific region and 47,000 troops in Japan, maintaining that this was confirmed between Defense Secretary Perry and top Japanese leaders in Japan.

Although no details were disclosed on the "very extensive measures," the "extensive proposals" now being studied include a plan for a partial return of land lots and another for joint use of military facilities by U.S. forces and the Self-Defense Forces aiming at reducing functions of U.S. military bases on Okinawa. Reportedly, Defense Secretary William Perry has given instructions that "not only minor but major measures should also be taken." In light of past examples, it is quite possible that when details of the proposals are disclosed, they will contain nothing new. However, it is at least worthy of note that discussions have been started within the U.S. Government on military bases on Okinawa.

Question Rests With the Japanese Government

It has been pointed out that the U.S. Government started studying the issue of reducing its military bases on Okinawa because of its bitter experience in the Philippines. In 1992, the United States lost all its military bases there, including the Subic Naval Base, because of its emotional confrontation with the Philippines. It seems that the United States is stricken with a sense of crisis that failure to bend its ear to Okinawan residents may not only force it to lose all its military bases but also impair its relations with Japan.

When compared with the Japanese Government, which is still trying to evade the Okinawan people's anger by taking tricky measures, the U.S. Government seems to have a more accurate understanding of the actual situation. So far, we have mentioned that those proposals, which may be appropriately described as "bold," have been made and discussions have started in the United States.

Moreover, there are also other arguments. For example, the Cato Institute, which is a think tank affiliated with the Republican Party, suggested that U.S. forces in Japan and the ROK be withdrawn in the next three to four years and that military strength be redeployed in areas surrounding Hawaii and Guam. Mr. Mochizuki [name as published] of the Brookings Institute, a pro-Democratic think-tank with close ties to President Bill Clinton, suggests that the U.S. Marine Corps [USMC] units stationed on Okinawa should be withdrawn to the continental United States. Armitage, the former assistant Secretary of Defense under the Reagan administration, has the idea of returning the Futenma Base and consolidating its function with that of Kadena Air Base.

At long last, the United States has taken notice of the seriousness of the situation and has indicated that it will make a comprehensive proposal that will include "very extensive measures." This is a sign indicating changes, but the question now rests with the Japanese Government. For instance, it has worked out plans for building a new airstrip on the reclaimed land off of Naha Airport, for moving the functions of the USMC Futenma Base to the new Naha Airport, and for sharing it with SDF units. "Has the government truly given an honest thought to this issue? I don't think the government is in its right mind," (so stated Kosei Oyadomari, mayor of the Naha city). Is the government truly aware of the actual situation of the military bases in Okinawa? We cannot but feel that it is trying to intentionally manipulate public opinions: While trying to earn time by sending up a trial balloon, the government may feel that anti-base sentiment among local residents and people throughout the country can be calmed down soon. The government has been urged to take a more positive approach toward settling the Okinawa-related issues.

Changes Noted in Awareness of Local Governments

In his talks with Prime Minister Tomiichi Murayama, Governor Masahide Ota submitted an action program on promoting the return of bases, including a request for the complete withdrawal of U.S. military bases on Okinawa by 2015. Governor Ota is determined to deal with the issue with the idea that there will be no 21st century for Okinawa without settling the base issue. Not only the Okinawa prefectural government but also local city, town, and village governments seem to have made a breakthrough in their awareness. Kadena Town Mayor Tokujitsu Miyagi, who agreed to sign by proxy documents on enforced lease of land for use as U.S. military bases, has indicated his intention to reject procedures for enforced use of land such as public notification. Mayor Seiken Tobaru of Ginowan city is studying the possibility of rejecting renewing the contracts on city-owned land located on Futenma USMC Base and Camp Zukeran, which will expire in March 1997. Urged by voices of the local residents demanding rejection of military bases, top leaders of the local governments have now become determined.

Being steeled against adversity, Okinawan residents rarely complain to outsiders or administrators in the central government. In particular, this tendency can be noted among those in local governments. Now, responsible persons of local governments have raised their voices one after another on behalf of local residents, expressing their opposition to the government's policy on the military bases in Okinawa. That is certainly a major change in their awareness.

The change will also be a serious influence on the court proceedings on Prime Minister Murayama's order issued to Governor Ota on performing his duties for proxy signing. It will also have an impact on future negotiations between the Japanese and U.S. Governments. There is a great disparity between what the Okinawan side demands on the one hand and plans for improving base-related issues indicated by the U.S. and Japanese Governments on the other. It seems that the government still cherishes the idea that it can tide over this difficulty by using some tricks.

This is the reason why plans have emerged such as the one for shifting live-fire exercises across the prefectural highway to several training fields on mainland Japan; another for realigning and consolidating military bases on Okinawa without any changes to the original plan; and a third for returning land lots with certain conditions attached. The two governments should understand that unless certain bold measures be taken, there will be no progress in settling the base-related issues as the prefectural residents demand. First of all, the USMC units — the major force — should be withdrawn to their home country, the United States.

Government Seeks Continued Reform in Russia

OW1812094595 Tokyo KYODO in English
0857 GMT 18 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 18 KYODO — Japan hopes Russia will keep its reform policy intact regardless of the outcome of its parliamentary election, the Foreign Ministry's top bureaucrat said Monday [18 December].

"In any event, we strongly hope Russia will not backtrack from its reform policy," Vice Foreign Minister Sadayuki Hayashi told a news conference.

But Hayashi declined to comment on the overall post-election situation, given that the final tallies have not been obtained yet.

Early returns show that the communists are making conspicuous advances in the poll for the State Duma or lower house of parliament, a development expected to have a negative effect on President Boris Yeltsin's hold on power.

KEDO Envoy on DPRK Nuclear Reactor Accord

OW1812044195 Tokyo MAINICHI SHIMBUN
in Japanese 16 Dec 95 Morning Edition p 3

[Report on MAINICHI SHIMBUN interview with Tetsuya Endo, ambassador in charge of the Korean Peninsula Energy Development Organization, KEDO; place and date not given]

[FBIS Translated Text] On 15 December, the Korean Peninsula Energy Development Organization (KEDO) and the DPRK (North Korea) formally concluded an agreement on the supply of light-water nuclear reactors. We have interviewed Tetsuya Endo, ambassador in charge of KEDO affairs who has been engaged in negotiations together with U.S. Ambassador Galucci and others as a member of the Japan-U.S.-ROK Council following the formation of the Council last March.

[MAINICHI] Why is it that the talks eventually became marathon negotiations?

[Endo] The type of the nuclear reactors was not brought up as an issue, however, it took much time to coordinate on issues connected with the extent of supply. For example, how the port facilities at Sinpho city, where the nuclear power station will be built, can be improved, or where the supply power lines can be built? While North Korea wanted to expand the supply extent, there are certain points that KEDO cannot make its concession.

[MAINICHI] How did North Korea act at the negotiations?

[Endo] In October 1994, an agreement was reached between the United States and North Korea on the supply of 2-million-kilowatts nuclear reactors. The accord itself is extremely profitable to North Korea. In this connection, I had the impression that North Korea attended the negotiations in a very business-like attitude. North Korea must have taken the political consideration of attaching great importance to the United States.

[MAINICHI] How about on the issue of construction costs, which reportedly amount to 4.5 billion dollars?

[Endo] No final coordination has been made on the costs. In that sense, we can say that negotiations have just started.

Keidanren Contacts DPRK Officials in Nov

OW1512145595 Tokyo SANKEI SHIMBUN
in Japanese 9 Dec 95 Morning Edition p 9

[FBIS Translated Text] A senior official from the secretariat of the Japan Federation of Economic Organizations [Keidanren] made the group's first contact with North Korean (the DPRK) government officials in November, it was learned on 8 December. A top official of the Keidanren secretariat said: "It was a courtesy call. We have no intention of further expanding our relationship with the country for the time being." However, for the economically-troubled DPRK, the success of creating a connection with "the most influential business organization" in Japan is very meaningful. Depending on the future political situation, the visit may stimulate economic exchanges between the two countries.

Hiroshi Kadota, director of Keidanren's Asian department, visited the DPRK from 7 to 11 November as a member of a delegation dispatched by the East Asia Trade Association [Higashi Asia Boeki Kenkyukai] (chaired by Tetsuji Honma, former vice president of Mitsui & Co. Ltd.). Kadota and other delegation members stayed in Pyongyang and other cities, and exchanged views with DPRK policymakers in charge of economic affairs.

According to Keidanren, it was invited to take part in the tour as a token of the DPRK's appreciation because Keidanren had provided the DPRK with 1 million-yen thorough the Japanese Red Cross as aid for this summer's flood damage. Keidanren, however, has informed the ROK about its tour through the national federation of people in the economic sector, the country's biggest economic organization. Keidanren has friendly ties with the organization and obtained the federation's understanding.

KYODO Views Kono's PRC Trip 18-20 Dec

OW1712111195 Tokyo KYODO in English 0828 GMT 17 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 17 KYODO — Foreign Minister Yohei Kono departs Monday [18 December] for a three-day trip to China where he hopes to conclude the first 50 years of Japanese postwar history on a positive note, government sources said Sunday.

Kono is scheduled to meet Chinese Foreign Minister Qian Qichen, President Jiang Zemin and Premier Li Peng on Tuesday for an exchange of views on issues pending between Tokyo and Beijing, while calling for future-oriented bilateral relations.

Kono plans to underline Prime Minister Tomiichi Murayama's frank admission and apology on Aug. 15 for Japan's prewar and wartime past, calling it "the first step toward the next 50 years," the sources said.

Kono, making his first visit to China as foreign minister, is expected to explain Japan's position on the need for talks concerning the United Nations Convention on the Law of the Sea in resolving disputed claims over the Senkaku Islands in the East China Sea, the sources said.

Kono will also ask China to halt underground tests of its nuclear weapons and request Beijing's cooperation in bringing about an early signing of the planned Comprehensive Test Ban Treaty (CTBT) scheduled to be signed next year.

China has agreed to sign the CTBT, which aims at a global ban on underground nuclear testing, but it has also insisted on continuing nuclear experiments until the CTBT is signed.

Kono also plans to tell Chinese leaders that Japan will begin a survey next fiscal year concerning the handling of chemical weapons left behind in China by the Japanese Imperial Army after World War II, the sources said.

Kono will express Japan's support for China's continued market liberalization policies and back its membership in the World Trade Organization, the sources added.

He also plans to invite Jiang to Japan for a state visit, which will be the first time for a Chinese president to make a state visit to Japan since 1972 when Tokyo and Beijing established full diplomatic relations.

Dispute With PRC 'Might Hamper' Ratification

OW1612103895 Tokyo KYODO in English 0929 GMT 16 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 16 KYODO — An unresolved territorial dispute with China might hamper the government's plans to ratify an international ocean convention during the upcoming regular Diet session, government sources said Saturday [16 December].

The 1982 U.N. convention on the Law of the Sea, which went into force in November last year, obliges all signatories to respect an exclusive 200-mile economic zone off a nation's coasts.

Within their zones, states have the exclusive right to fish or to exploit natural resources such as oil, reclaim land or construct artificial islands.

The convention could bring to the surface long-shelved territorial claims by Japan and China to the Senkaku Islands, known as the Diaoyutai Islands in Chinese, in the East China Sea, the sources said.

The isles, located some 150 kilometers northeast of the northern tip of Taiwan, are also claimed by Taipei.

Based on a preliminary law, Japan has already set up a 200-mile fishing zone off its coasts, but has deliberately exempted the area west of 135 degrees eastern longitude, where the disputed isles are located, to avoid upsetting China.

However, the National Federation of Fisheries Cooperative Associations is pressuring the government to make the 200-mile zone complete when ratifying the convention.

"The interests of Japan's fishing industry and our natural resources must be protected," the federation argues.

Delineating a 200-mile zone on Japan's east coast also proves difficult because it overlaps with that of China. Tokyo has proposed that the line be drawn "between the two base lines."

One of Tokyo's base lines treats the disputed Senkaku Islands as Japanese territory. Beijing claims that its zone "follows the natural course of the continental shelf" and stretches to the area "directly west" of Okinawa, Japan's southernmost prefecture, thus encompassing the Senkaku Islands.

China renewed its claim to the isles in a law on its territorial waters in 1992.

In addition, its State Oceanography Bureau conducted a survey of the continental shelf off the Miyako Islands, some 300 kilometers south of Okinawa Island, in May and June this year.

China has said it plans to ratify the sea convention next summer. Some Foreign Ministry officials feel Japan should delineate a 200-mile zone with the Senkaku Islands as a base line, arguing that refraining from doing so could be interpreted by the Chinese as a lack of interest in the territory.

However, Foreign Minister Yohei Kono has displayed a more cautious attitude, stressing the need for "reasonable consultations" among the parties concerned.

PRC Ship Remains in Disputed East China Sea

*OW1812112595 Tokyo KYODO in English
1039 GMT 18 Dec 95*

[FBIS Transcribed Text] Tokyo, Dec. 18 KYODO — A Chinese oil drilling ship remains anchored closer to Japan than to China in the East China Sea despite Japan's claim that foreign countries cannot explore for resources in the region without Japanese permission, the Maritime Safety Agency said Monday [18 December].

The Foreign Ministry, mindful of the possibility of its developing into a diplomatic row, has already contacted China over the issue, according to the ministry.

The ship, first spotted by an agency plane Dec. 1, is anchored 320 kilometers north northeast of the Senkaku Islands, northeast of Taiwan, some 570 meters closer to Japan from the halfway point between the two countries, according to the agency.

The agency confirmed the location of the ship with an error margin of 100 meters using a U.S. military satellite.

Japan argues that it has the right to resources in the closer half of the continental shelf in the east China sea because it covers the area between China and Japan.

But China insists that it has the right to the entire continental shelf since it ends west of Okinawa Prefecture.

The UN Treaty on Maritime Affairs, which was put into effect in November 1994 and which Japan plans to ratify next year, says the country has the right to resources in the continental shelf within 200 nautical miles (about 370 km) of the coast.

But the law says nothing specific about how to settle any dispute over the right when more than one country is involved, saying only that such a dispute should be resolved fairly through talks.

Trade Sources on PRC's Plan To Impose Tariffs

*OW1612122195 Tokyo KYODO in English
1056 GMT 16 Dec 95*

[FBIS Transcribed Text] Tokyo, Dec. 16 KYODO — The Chinese Government plans to impose a 100 percent tariff on machinery, parts and raw materials imported by foreign companies that do not export the finished products, Japanese trading industry sources said Saturday [16 December].

The new system will be implemented on a trial basis from January in three coastal cities, including Ningbo in the province of Zhejiang and Suzhou in the province of Jiangsu, the sources said.

The new tariff will become nationwide next April, they said. Currently, no tariffs are imposed on material for use in products to be exported.

Under the new system, when a foreign manufacturer applies for permission to import material for use in products to be assembled in Chinese plants, the Bank of China will check the maker's export record, they said.

If the state-run banking agency gives the green light, it will enter the tariff amount on its books without actually collecting the money, they said.

If the agency later confirms that the finished products in question were actually exported, the entry will be deleted, they said.

However, when the foreign maker's credibility is deemed questionable in view of past behavior, the agency will collect the tariff in cash, they said.

The cash will be kept by the Chinese authorities if the maker then fails to export the finished products, they said.

Whether companies will be required to deposit the cash at the Bank of China will be decided by Chinese authorities on a case-by- case basis, they said.

Most Japanese makers are likely to be exempted from the requirement to put up deposits, they said.

Initially, the Chinese Government planned to indiscriminately demand from all foreign companies a deposit equivalent to the 100 percent cash value of the tariff.

But it relented and adopted the case-by-case system after Japanese trading houses and others complained that the system would burden them with large interest payments, they said.

An official at the Hong Kong Representative Office of the Japan External Trade Organization (JETRO) said the latest change in the tariff mechanism "will alleviate almost all possible adverse effects on Japanese companies, so it has ended our concerns that (the tariff system) would put a brake on Japanese businesses' investment in China."

The official said the new tariffs have already been slapped on some Hong Kong-based companies, as some

Chinese customs offices brought forward the implementation of the system to November. The companies had to pay tens of thousands of dollars, the official said.

China conceived the new tariff system because some foreign companies importing materials into China diverted products made at their Chinese plants to the country's domestic market, rather than exporting them, the trading industry sources said.

Chinese Democracy Activists Protest Over Wei

OW1812120795 Tokyo KYODO in English
1131 GMT 18 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 18 KYODO — Chinese pro-democracy activists Monday [18 December] condemned China's sentencing of political dissident Wei Jingshen to 14 years in jail for planning to overthrown the government and staged a protest demonstration in front of the Chinese Embassy in Tokyo.

"The ruling against Wei clearly is a fabrication by the Chinese Government and serves to teach the Chinese people a lesson," the protesters said in a statement.

They urged Japanese and other governments to pressure Beijing to refrain from human rights violations such as in Wei's case and to improve the overall human rights situation.

The protesters had planned to stage a sit-in in front of the embassy's main entrance but were expelled by police to the other side of the road. They then unfolded banners reading "China release all political prisoners" or "Wei Jingshen is China's conscience."

The activists said they will continue their protests through Thursday. The Beijing Intermediate Court gave its ruling on Wei last Wednesday following 20 months of detention without charges.

Wei, a veteran pro-democracy leader and the nation's most prominent dissident, was released from prison only in September 1993 after serving all but six months of an earlier 15-year sentence for counterrevolutionary activities.

Kono Proposes Early Visit to South Korea

OW1812050495 Tokyo KYODO in English
0245 GMT 18 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 18 KYODO — Foreign Minister Yohei Kono on Monday expressed a wish to visit South Korea as early as possible next year and agreed with South Korean Foreign Minister Kong No-myong on the need for cooperative relations between Tokyo and Seoul, Foreign Ministry officials said.

Kono telephoned Kong on Monday [18 December] to mark the 30th anniversary of the normalization of diplomatic relations between Japan and South Korea.

Kono reported that officials from his ministry's Asian Affairs Bureau are making progress in their preparations for next week's meeting with their South Korean counterparts on a joint study of history.

Prime Minister Tomiichi Murayama and South Korean President Kim Yong-sam agreed to the joint study of Japan-Korean relations during last month's Asia-Pacific Economic Cooperation forum in Osaka.

The agreement emerged as a series of gaffes by Japanese officials concerning Japan's prewar and wartime relationship with Korea and the rest of Asia, including a remark by Murayama that the 1910 annexation treaty that made Korea a colony of Japan was valid under the laws at the time.

The remarks upset South Korea, which refused to accept a visit by Kono earlier this fall to apologize for the miscues, but Kong on Monday said he would welcome a visit by Kono.

Kono and Kong agreed that cooperation among Japan, South Korea and the United States is needed to ensure peace and stability on the Korean peninsula.

The three nations are principal members of the Korean Peninsula Energy Development Organization, which signed an agreement in New York last Friday with North Korea, providing Pyongyang with two light-water nuclear reactors.

Kong indicated plans to host a meeting next month for high-level officials from the three countries to coordinate their policies regarding North Korea.

Kong also asked Japan to consider inter-Korean relations as Tokyo moves ahead with plans to normalize relations with Pyongyang.

Grants for Cuban Self-Governing Bodies Approved

OW1812035595 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 15 Dec 95 Morning Edition p 5

[FBIS Translated Text] The government decided on 14 December to provide Cuba with small-scale grants — worth several million yen (at the grass-roots level) — for humanitarian purposes . The grants will be given to local self-governing bodies [jichitai] and not directly to the Cuban Government . Embassy-level consultations on the concrete details are already under way in Havana.

With respect to consideration given to the United States, the government has so far provided no economic assistance — such as grants or yen-based loans —

to Cuba except for some technological cooperation. In taking this measure, the government hopes that by using these grants as a starting point that Cuba can then be urged to promote democratization and economic liberalization.

Foreign Ministry Announces Aid to Tanzania

OW1512102095 Tokyo KYODO in English 0822 GMT 15 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO — Japan will extend grant aid of 302 million yen to Tanzania to help relieve its foreign debts, the Foreign Ministry said Friday [15 December].

Notes on the aid were exchanged between officials of the two countries in Dar es Salaam, the capital of Tanzania, the same day, the ministry said.

The relief measure is part of Tokyo's efforts to further strengthen friendly and cooperative relations with developing countries that have heavy foreign debt burdens, it said.

Leaders Attend Assembly on Anniversary of WWII

OW1812112695 Tokyo KYODO in English 1029 GMT 18 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 18 KYODO — Prime Minister Tomiichi Murayama and other Japanese leaders vowed Japan's continued efforts for worldwide peace and to solve pressing global issues at an official assembly Monday [18 December] marking the 50th anniversary of the end of World War II [WWII].

"Humbly learning the lessons of history, we vow to fulfill our role for world peace and prosperity," Murayama told the assembly at the national theater in Tokyo which was also attended by Emperor Akihito and Empress Michiko.

"We have to map out ways to realize eternal peace by dealing on an international level with global problems such as food and energy shortages and human rights violations and promoting steady nuclear disarmament in an effort to rid the world of nuclear weapons," Murayama said.

Some 1,300 people, including the ambassadors of foreign countries as well as the heads of the administrative, legislative and judiciary branches of power, attended the government-sponsored assembly featuring speeches and music performances.

The representatives of youth groups from 65 countries, many of them Asian nations, were addressing the commemorative gathering.

The emperor said, "Thinking of all those people who became the foundation for today's peace and prosperity, I feel all the more how important it is to make people aware that peace is a meaningful thing."

He said Japan, while learning much from history, will "correctly" walk the path of the future. "My heartfelt wish is that the Japanese people will never lose the spirit of (peaceful) coexistence and will continue to cultivate a humble and fine national character."

The government originally planned to hold the event Aug. 15, the day the late Emperor Hirohito, father of the present emperor, announced to the public Japan's surrender 50 years ago.

However, the government was forced to postpone the event after the Liberal Democratic Party and Murayama's Social Democratic Party (SDP), which make up the ruling coalition along with New Party Sakigake, failed to agree on the format of the gathering.

The coalition later agreed to hold the event Monday, the day in 1956 when Japan joined the United Nations. Government leaders at Monday's event did not directly touch on Japanese wartime aggression and the 1910-45 colonial rule of the Korean peninsula, putting the event in stark contrast to Murayama's apologetic Aug. 15 speech.

However, Takako Doi, speaker of the House of Representatives, said, "as a Japanese on the political stage I can't help but feel deeply responsible whenever I realize that Japan has not extended the hands of sincere reconciliation to the peoples of Asia and still not dealt with its colonialism and aggression in the past."

Doi, an independent lawmaker and former chairman of Murayama's SDP, said Japan should ask the victims of its wartime aggression for advice as to what could be done to build stable mutually friendly relations.

Juro Saito, president of the House of Councillors, said Japan should take the lead in the movement for a total abolition of nuclear weapons and other efforts to eradicate war.

Poll Shows Less Support for Murayama Cabinet

OW1612011495

[FBIS Editorial Report] The 13 December morning edition of the Tokyo TOKYO SHIMBUN in Japanese carries on page 3 an 800-word report on a nationwide survey conducted on 9 and 10 December. The Public Opinion Survey Association of Japan, of which TOKYO SHIMBUN is a member, conducts the surveys regularly. This survey asked about public approval for Prime Minister Tomiichi Murayama's cabinet and about support for various political parties. It has been 17 months since the Murayama administration was inaugurated.

The results indicate that "the support rating for the Murayama cabinet was 34.4 percent, dropping 2.9 percentage points compared to the survey conducted three months ago (on 9 and 10 September)." The disapproval rating was 56.4 percent, up 1.2 percentage points compared to the last survey. In the last survey the Murayama cabinet had registered its lowest-ever approval and disapproval ratings, but the recent survey indicates a further drop in support and an increase in the disapproval rating.

"With regard to the support rating for political parties, the support rating for the New Frontier Party, which marked its first anniversary, was 14.2 percent, plunging 7.4 percentage points compared to the last survey."

On the other hand, "the Liberal Democratic Party registered 34.2 percent, its highest support rating since the inauguration of the Hosokawa coalition administration in 1993." The trend shows that support for the LDP is increasing.

Meanwhile, "support for the Social Democratic Party of Japan dropped by 0.5 percentage point to 10.1 percent compared to the previous survey, and support for the Harbinger Party dropped from 5.0 percent in the last survey to 2.8 percent in the current survey."

Ozawa, Hata Face Off in NFP Presidency Race

Hold News Conference

OW1612060095

[FBIS Editorial Report] Tokyo NHK General Television Network in Japanese at 0115 GMT on 16 December carries live a 45-minute news conference by Ishiro Ozawa and Tsutomu Hata, who are running for the presidency of the New Frontier Party (NFP), held at party headquarters.

Asked about his candidacy, Ozawa says he seeks to break the impasse in the economic and political systems, noting that the present ruling coalition is unable to tackle these tasks. Hata also notes the coalition administration's inability in this area, and vows to promote social structure reform and decentralization. Both candidates refrain from commenting on the selection of senior NFP members after the election. They also deny concerns that their candidacies could create a split in the party.

On the issue of tax reform, Hata stresses the need to secure revenue sources to prepare for an aging society, although he does favor some degree of tax reduction. Ozawa comments that a large-scale tax reduction is needed to stimulate the economy before the consumption tax is raised from 3 percent to 10 percent.

With regard to the NFP's achievements, Ozawa notes that the party has contributed to maintaining a parliamentary democracy by serving as a powerful opposition party. Hata shares this view, and points out the need to build up the NFP's local organizations.

As for a realignment of political circles, Ozawa reiterates his resolve to take over power from the present administration. Hata expresses a cautious view about building a conservative-conservative administration. The news conference ends at 0200 GMT.

Formally Register Candidacies

OW1612022395 Tokyo KYODO in English 0111 GMT 16 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 16 KYODO — Former Prime Minister Tsutomu Hata and Shinshinto (New Frontier Party) Secretary General Ishiro Ozawa on Saturday [16 December] registered their candidacy for the largest opposition party's presidential election, kicking off their 11-day campaigns.

Hata, 60, and Ozawa, 53, who are long-time allies, are the only candidates and will thus go head-to-head in the election for the top party post.

Before noon, the two hold a joint press conference at the party's Tokyo headquarters to announce their platforms that are expected to show clear differences in handling the nation's politics.

The deadline for votes by mail in the election is Dec. 26. The outcome will be officially announced Dec. 28.

The qualified voters in the presidential race are Shinshinto's 226 lawmakers, and some 490,000 members and associated members nationwide, but under a recently adopted election rule, any Japanese citizen aged 18 or older who pays 1,000 yen can also vote in the race.

Current party president Toshiki Kaifu, also a former prime minister, is not seeking reelection and has said he would throw his weight behind Ozawa. Kaifu was elected the first head of Shinshinto a year ago by beating Hata.

Opposition forces formed Shinshinto in December 1994 with the aim of wresting power from the Liberal Democratic Party (LDP)-dominated ruling coalition led by Prime Minister Tomiichi Murayama, head of the Social Democratic Party (SDP).

Both Hata and Ozawa are former members of the LDP, which was the SDP's archrival for over four decades during the cold-war era.

In the House of Councillors election in July this year, Shinshinto took 30.75 percent of the proportional representation votes, overcoming the LDP's 27.29 percent.

'At Odds' on Key Issues

OW1612062295 Tokyo KYODO in English 0459 GMT 16 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 16 KYODO — The largest opposition Shinshinto (New Frontier Party) [NFP] entered a two-way battle Saturday between Secretary General Ichiro Ozawa and Tsutomu Hata, the party's vice president, as their campaigns began for the presidential election.

Ozawa and Hata, who are long-time allies, each declared at a press conference they would wrestle power from the ruling coalition, having earlier registered their candidacies for the race.

But they are clearly at odds with each other on how to handle the nation's politics, ranging from measures to restructure the economy and Japan's future role in international peacekeeping operations.

"We must carry out reforms including surgical operations," said Ozawa, 53, who was instrumental in creating Shinshinto a year ago through the grand merger of all main opposition forces excluding the Japanese Communist Party.

Hata, 60, a former prime minister, was the head of one of Shinshinto's predecessors, criticized the coalition of the Liberal Democratic Party (LDP), the Social Democratic Party and New Party Sakigake [Harbinger] as "deciding things on compromise."

Both men brushed aside the prospects that the rivalry will deepen a crack among party members. Ozawa said, "I have no worries," while Hata said, "The basis of democracy is elections."

But when asked who they would appoint as secretary general, the No. 2 man in the party, if they won the race, both men declined to comment.

Hata also expressed negativeness toward Ozawa's high-handed political demeanor, by issuing a statement about his basic policy.

One of the main contending issues is Ozawa's plan to raise consumption tax rate to 10 percent in 10 years from the current 3 percent.

Hata blamed Ozawa for pledging the rate hike in specific figures, saying in the statement that "the tax rate should be decided while diffusing taxpayers' anxiety with whole economic conditions in mind."

Regarding Ozawa's proposal of setting up a new police contingent to take part in U.N.-led peacekeeping activities, Hata said the nation's self-defense forces are capable enough to shoulder the task.

During the campaign period, qualified voters — Shinshinto's 226 lawmakers, and some 490,000 members and associated members nationwide — will send their votes by mail to the party's Tokyo headquarters. The election is expected to be influenced by the party's new election rule that entitles any Japanese citizen aged 18 or older who pays 1,000 yen to vote in the race, political analysts said.

The votes by mail in the election will be closed Dec. 26, and the outcome will be officially announced Dec. 28.

Ozawa and Hata were both elected as House of Representatives members in 1969, and after 23 years they defected from the LDP and formed Shinseito (Japan Renewal Party).

In Shinseito, one of the nine now-defunct parties, Ozawa was the co-leader while Hata nominally led the party during its short life from June 1993 to December 1994.

Current Shinshinto president Toshiki Kaifu, also a former prime minister, is not seeking reelection and has said he will throw his weight behind Ozawa. Kaifu was elected the first head of Shinshinto a year ago by beating Hata.

In the House of Councillors election in July this year, Shinshinto took 30.75 percent of the proportional representation votes, overcoming the LDP's 27.9 percent.

Hashimoto Attends LDP Faction Fund-Raiser

OW1812014295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Dec 95 Morning Edition p 2

[FBIS Translated Text] The former Obuchi faction of the Liberal Democratic Party [LDP] held a political fund-raising party on 14 December in a hotel in Tokyo. About 2,000 participants, including businessmen and government officials, gathered at the party. Among the participants were faction chairman Keizo Obuchi, Ryutaro Hashimoto, deputy prime minister and concurrently minister of international trade and industry (also LDP president), former Prime Minister Noboru Takeshita, and former LDP Secretary General Seiroku Kajiyama. Participants, one after another, expressed their desire to see the creation of "Prime Minister Hashimoto." The party appeared to be a "pre-battle ceremony" on the way to regaining power.

Obuchi gave a speech at the party and said: "President Hashimoto has a nice face, so I feel sorry he is being criticized as faceless. I would like to seem him attend next year's party as prime minister." Tadahiro Sekimoto, vice chairman of the Federation of Economic Organizations of Japan, cheered Hashimoto, saying: "Without political leadership, our national interests would be jeopardized." Hashimoto, however, maintained a low profile during the party, saying: "I am determined to make every effort toward bringing our economy back on its feet." The party-goers, therefore, experienced something of a letdown.

SDP Disbandment, New Party Launch Postponed

Decision Announced

OW1512012895 Tokyo KYODO in English 0050 GMT 15 Dec 95

[FBIS Transcribed Text] Tokyb, Dec. 15 KYODO — Prime minister Tomiichi Murayama's Social Democratic Party (SDP) has decided to postpone disbanding itself and forming a new party, originally scheduled for Jan. 19, after such a request from Murayama, party officials said Friday [15 December].

The party's policy-making central executive committee decided on the postponement at a meeting held shortly after midnight Thursday following a proposal from the premier not to launch a new party at the January party convention, the officials said.

The annual convention was designed to dissolve the SDP and set up a new party with a view to having a better chance of winning the next elections. The party will instead decide only on a new policy platform and the name of a planned new party at the convention, the officials said.

Concerning the chairmanship of the SDP, currently assumed by Murayama although his term has already expired, he proposed to hold an election before the convention to choose the party's new head, and the party leadership is leaning to accept his proposal, they said.

The scheme to disband the SDP and launch a new "liberal" party had been strongly promoted by SDP Secretary General Wataru Kubo. The new timetable for the disbandment and launching of a new party will be decided through negotiations between Murayama and Kubo, the officials said.

Murayama said he has no plans to assume the presidency of the promised new party and the post should be decided by an election, they said.

The SDP is part of the tripartite ruling coalition with the Liberal Democratic Party and New Party Sakigake [Harbinger].

Murayama May Seek Reelection

OW1512092895 Tokyo KYODO in English 0811 GMT 15 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO — Prime Minister Tomiichi Murayama hinted Friday [15 December] he would seek reelection as chairman of the Social Democratic Party (SDP).

"I still have to take responsibility for managing the party," Murayama told reporters.

Murayama's remarks came after the SDP decided to postpone disbanding itself and forming a new party, originally scheduled for Jan. 19, in accordance with the premier's request not to do so.

Chief Cabinet Secretary Koken Nosaka said Murayama's remarks meant he is ready to run in the election for SDP head.

The election is scheduled before the Jan. 19 party convention.

Shortly after midnight Thursday, the party's policy-making Central Executive Committee decided on the postponement following a proposal from the premier not to launch a new party at the January party convention on Jan. 19, SDP officials said.

The convention was designed to dissolve the SDP and set up a new party with a view to having a better chance of winning the next general election.

The party will instead decide only on a new policy platform and the name of a planned new party at the convention, the officials said.

The scheme to disband the SDP and launch a new "liberal" party had been strongly promoted by SDP Secretary General Wataru Kubo.

The new timetable for the disbandment and launching of a new party will be decided through negotiations between Murayama and Kubo, the officials said.

Meanwhile, a group that advocates an early establishment of a new party has decided to hold a meeting Monday [18 December] in preparation for forming such a party.

The group is demanding that Murayama attend the meeting.

Kubo Considers Resignation

OW1712060695 Tokyo YOMIURI SHIMBUN in Japanese 16 Dec 95 Morning Edition p 3

[FBIS Translated Text] Wataru Kubo, secretary general of the Social Democratic Party of Japan [SDPJ] granted an interview to YOMIURI SHIMBUN on 15 December. The meeting to form a new party originally scheduled for 19 January has been postponed due to the desires of Prime Minister Tomiichi Murayama (who is also SDPJ chairman). Touching on this issue in the interview, Kubo stated: "From our different positions as party chairman and secretary general, both of us have stated our own views on how the problem on the organization of a party and also on what a political party should be. Therefore, I think I have to consider my own responsibility." In this way, Kubo indicated his intention to take the responsibility for leading the efforts to form the new party by resigning from the post of secretary general.

Kubo then touched on the election of party executives following the regular party convention scheduled for 19 January, and said: "Even if I should remain in silence, my term will come to an end at the regular party convention. However, as one who has been in a responsible position of a political party, I have been thinking about whether it will be appropriate for me to resign in this way."

It is observed that his remarks may indicate that Kubo may not only resign from the post of secretary general before the January convention, but also leave the party after the convention and then move toward the formation of the new party.

Moreover, Secretary General Kubo disclosed the following fact: Right after the SDPJ decided at the 21 September extraordinary party convention to "form the new party in late October," Kubo informed the prime minister of his determination that "when the time should come for someone to take the responsibility for the issue of new party formation, he feels sorry but he will probably not consult the prime minister on such an occasion."

Kubo's Resignation 'Unnecessary'

OW1712143695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Dec 95 Morning Edition p 2

[FBIS Translated Text] Wataru Kubo, Social Democratic Party of Japan [SDPJ] secretary general, is facing the question of whether or not he should resign from his post over the postponement of the new party's formation. On 16 December in Tokyo, while replying to reporters' questions regarding this issue, Chief Cabinet Secretary Koken Nosaka said: "It will not be too late for him to make a decision on this matter after he reforms the SDPJ, fortifies its base, and sees the new party spread its wings." Thus, Nosaka gave his view that it is unnecessary for him to assume responsibility by resigning as secretary general. The meeting to form a new party, which had been originally scheduled for 19 January, was postponed because of Prime Minister Tomiichi Murayama's wishes. Kubo is considering resigning as secretary general before the regular party convention in January, during which party executives will be elected. Nosaka made the above mentioned remark in an attempt to check Kubo's move.

As for the fact that New Democratic Club Representative Banri Kaieda has announced his intention to form a new party, Nosaka said: "The party will be twisted and split if we rush to a conclusion. We should seek to unify various forces without adopting exclusionist practices." Thus, he stressed his intention to cautiously deal with the new party issue.

No Date Set for New Party

OW1712111295 Tokyo KYODO in English 0928 GMT 17 Dec 95

[FBIS Transcribed Text] KOBE, Dec. 17 KYODO — Prime Minister Tomiichi Murayama predicted Sunday [17 December] it will take quite some time before a successor party to his Social Democratic Party (SDP) is set up.

Murayama also told a news conference in Kobe that he wants to talk with senior SDP officials before deciding whether or not he will seek reelection as SDP chairman.

The election for SDP chairman will be held before the Jan. 19 party convention.

Murayama is widely understood to favor remaining in the top party post.

Murayama, 71, also said a new party, which would replace the SDP, should be led by a new leadership, arguing his role is to set the stage for the birth of such a new party.

He also dismissed the possibility of general elections in the near future, saying his coalition government has such important tasks as economic recovery, deregulation and education reform.

House Member Kaieda Seeks Creation of New Party

Sets Year-End Goal

OW1512144895 Tokyo KYODO in English 1216 GMT 15 Dec 95

[FBIS Transcribed Text] Kanazawa, Japan, Dec. 15 KYODO — House of Representatives members Banri Kaieda said Friday [15 December] he expects to form a new pro-local community political party by the end of this year.

Speaking at a press conference in this Sea of Japan coastal city in central Japan, Kaieda said at least three House of Representatives members are expected to on the party which he said will be aimed at fighting the existing big parties as the ruling coalition Liberal Democratic Party and the main opposition Shinshinto (New Frontier Party).

On Thursday, Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) decided to postpone a scheme to disband itself and change into a new 'liberal' party with a better chance of winning coming elections at a party meeting Jan. 19.

"We will get nowhere if we continue to await a move by the SDP to form a new party," said Kaieda, who had been preparing to join the SDP in forming such a new party. Kaieda, a lower house member belonging to a small parlimentarians' group called the new democratic club, said he hopes the new party will serve as a central party for local parties.

Separately, former SDP chairman Tadao Yamahana said in Tokyo he and three other parliamentarian defectors from the SDP expect to join the new part.

Yamahana told reporters the new party could later merge with the SDP and New Party Sakigake [Harbinger], both members of the tripartite ruling coalition.

"A big merger with the SDP and New Party Sakigake will be possible in the future," Yamahana said.

Kaieda said he plans to make public the party platform, party rules and key party leaders as early as next Monday and file for party status with five or more Diet members by the end of the year.

Entreats Sakigake's Hatoyama

OW1612075195 Tokyo KYODO in English
0623 GMT 16 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 16 KYODO — House of Representatives member Banri Kaieda said Saturday [16 December] he is trying to get former Hokkaido Gov. Takahiro Yokomichi and Yukio Hatoyama, secretary general of New Party Sakigake [Harbinger], to join him in forming a new party.

Kaieda said he consulted with Yokomichi and Hatoyama about forming the new party by the end of this year but has so far failed to get support for his scheme.

Kaieda, who belongs to a small lower house parliamentarians' group called the New Democratic Club, said Friday at least three lower house members will join the new party.

He said the party will go up against the existing big parties such as the ruling coalition member Liberal Democratic Party and the main opposition Shinshinto (New Frontier Party).

Kaieda denied speculation that Waoaru Kubo, secretary general of the ruling coalition partner Social Democratic Party (SDP), will leave the SDP to join the new party.

Further on Monju Nuclear Reactor Accident

Sodium Removal Completed

OW1612103795 Tokyo KYODO in English
0814 GMT 16 Dec 95

[FBIS Transcribed Text] Tsuruga, Japan, Dec. 16 KYODO — The removal work of more than 200 kilograms of sodium has been completed from a pipe room at Japan's prototype fast-breeder nuclear reactor "Monju," which was shut down after a leak earlier this month, officials said Saturday [16 December].

A total of 235 kilograms of sodium compound was removed from the floor of the room, the officials of the Power Reactor and Nuclear Fuel Development Corp. (Donen) said.

On Dec. 8, 2 to 3 tons of nonradioactive coolant sodium leaked from the secondary cooling system at the 280,000-kilowatt Monju reactor, forcing Donen to shut down the reactor.

The Science and Technology Agency says the accident was one of the largest of its kind in the world.

The plutonium-based Monju reactor, which is located some 350 kilometers west of Tokyo, in Tsuruga, Fukui Prefecture, on the Sea of Japan coast, began operations in August and was scheduled to begin full-capacity operations next June.

Meanwhile, the prefectural headquarters of the Social Democratic Party in Fukui adopted a resolution at an extraordinary convention Saturday, calling for a permanent freeze on Monju.

Protesters Hold Rally 17 Dec

OW1712100595 Tokyo KYODO in English
0936 GMT 17 Dec 95

[FBIS Transcribed Text] Tsuruga, Japan, Dec. 17 KYODO — Some 600 people staged a rally Sunday [17 December] in protest over a coolant leak at Japan's first prototype fast-breeder reactor Monju, demanding the reactor be shut down permanently.

The rally, the biggest since Monju was manually shut down Dec. 8 after sodium leaked from a secondary cooling system, started shortly after midday on a coastal shore in Tsuruga, Fukui Prefecture, from which the reactor is visible across an expanse of water on an opposite shore.

Shouting, "Stop the devil's reactor permanently," participants rallied several hundred meters toward the gate of Monju and handed over a letter of protest to an employee of the governmental Power Reactor and Nuclear Fuel Development Corp. (Donen) which operates the reactor.

"An accident which the government and Donen have said will never happen has taken place. Monju is the product of premature technologies," said Miwako Ogiso, heading a group of antinuclear residents in Fukui Prefecture.

About 10 security guards were mobilized at the gate, but there were no reports of violence.

Monju started operations in August, after a decade of technical delays, and was scheduled to eventually generate 280 megawatts of electricity, making it the world's second largest fast-breeder reactor after the French Sphenix.

A fast-breeder reactor is designed to produce more nuclear fuel than it consumes, a technically appealing feature for Japan, as a nation poor in energy resources relying on nuclear reactors for 33 percent of its power needs.

The government regards the fast-breeder reactor technology as the centerpiece of the nation's energy policy for the 21st century as Japan plans to raise its dependence on nuclear energy to 42 percent by 2010.

Operator Admits Violation

OW1812053895 Tokyo KYODO in English 0507 GMT 18 Dec 95

[FBIS Transcribed Text] Tsuruga, Japan, Dec. 18 KYODO — The operator of Japan's prototype fast-breeder nuclear reactor, which was shut down after a sodium leak accident, admitted Monday [18 December] that it did not stop the air conditioner at the time of the accident, a violation of regulations.

Officials of the governmental Power Reactor and Nuclear Fuel Development Corp. (Donen) admitted in a press conference that the decision was against the self-made regulations submitted to the government when Donen sought approval for the construction of the plutonium-based reactor "Monju."

Under the regulations, Donen must shut down the air conditioning ducts in case of the sounding of the fire alarms.

According to Donen, fire alarms went off at 66 locations inside the reactor site during the Dec. 8 accident, evidence of the chemical reaction between air and sodium that leaked from the secondary cooling system.

Donen had earlier admitted that the air conditioning of the room housing the secondary cooling pipes was stopped three and a half hours after the occurrence of the accident.

Some nuclear experts say this fact may have helped enlarge the scope of fires caused by the chemical reaction.

Meanwhile, sources close to the Monju project said that Donen has never conducted a fire-fighting drill using sodium at the reactor site, some 350 kilometers west of Tokyo, in Tsuruga, Fukui Prefecture, on the Sea of Japan coast.

Donen conducts drills for ordinary fires every year, but has never held drills to deal with sodium-related fires due to the lack of facilities for creating a sodium fire, the sources said.

During the Dec. 8 accident, 2 to 3 tons of nonradioactive coolant sodium leaked at the 280,000-kilowatt Monju reactor, one of the worst accidents of its kind.

The reactor began operations in August and was scheduled to begin full-capacity operations next June.

The Fukui prefectural government plans to revise a safety accord that the prefecture concluded with Donen so that it requires the Fukui governor's consent for the company to resume operations of the nuclear reactor, prefectural officials said.

A new regulation is needed to make the safety agreement more effective in order to prevent any future accidents, the officials said.

The prefectural government will soon propose revising the safety accord to Donen as well as Kansai Electric Power Co. and Japan Atomic Power Co., both of which generate electricity in the prefecture, they said.

Institute To Begin Safety Test

OW1812092995 Tokyo KYODO in English 0837 GMT 18 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 18 KYODO — Japan's Atomic Energy Research Institute will begin an experiment Wednesday [20 December] aimed at ensuring radioactivity does not escape into the environment in the event a radioactive substance reaches criticality in an accident at a spent fuel-reprocessing center, institute officials said Monday.

Criticality is the point at which neutrons produced in the fission process are sufficient to sustain a chain reaction without outside stimulus.

If such a chain reaction is carefully controlled, such as in a nuclear power reactor, it can be used to generate heat and electric power.

The experiment is based on the premise that if a sufficient amount of plutonium or uranium is present in solution in a confined space at a fuel-processing center, there is a risk it could sustain an unwanted and dangerous fission reaction leading to criticality.

The experiment will look at how an unwanted fission chain reaction occurs and then subsides due to the effects of a rise in the temperature and of the occurrence of air bubbles, the officials said.

The institute's Tokai Research Laboratory in Ibaraki Prefecture, northeast of Tokyo, will conduct the experiment, they said.

Since February, the institute has conducted experiments using separate apparatus at the same laboratory to gather data on what happens in the stages up to criticality.

The institute is a government corporation founded in 1956 to promote the research, development and utilization of nuclear energy.

Murayama Apologizes to Minamata Disease Victims

OW1512060895 Tokyo KYODO in English
0555 GMT 15 Dec 95

[FBIS Transcribed Text] TOKYO, Dec. 15 Kyodo — Prime Minister Tomiichi Murayama apologized Friday [15 December] to victims of mercury poisoning in Minamata, Kumamoto Prefecture, and Niigata Prefecture, as the government adopted a final plan to relieve their four-decade-long plight.

In a released statement, Murayama said, "I express a deep feeling of condolence toward those who have died in pain and chagrin, and my heart is full of apology, thinking of the unrelievable feelings of many people who have been forced to endure agony beyond description for many years."

The government has made efforts, but it should repent for the failure to take swift measures on the pollution that first took place in Minamata, Kumamoto Prefecture, southwestern Japan, and for allowing the recurrence of the disease in Niigata on the Sea of Japan coast, he said.

The prime minister pledged never to allow a recurrence of the Minamata disaster, to promote environmental protection and to help other countries prevent pollution problems.

The government adopted the solution scheme Friday at a cabinet meeting to relieve patients who are not officially authorized as Minamata disease patients and thus cannot receive the existing compensation.

The adoption of the relief plan for patients not officially recognized means the termination of all disputes over Minamata disease, except for one suit in which a group of patients are demanding compensation.

Under the scheme, Chisso Corp., which caused the mercury pollution in Minamata, and Showa Denko K.K., a major chemical company that was the polluter in Niigata, will pay 2.6 million yen to each unrecognized patient.

Chisso will make additional payments totaling 5 billion yen to five organizations representing the sufferers and Showa Denko promised 440 million yen to the patients' organizations.

The Kumamoto prefectural government will set up a 30 billion yen fund, based on state subsidies and bond issuance, to loan as much as 26 billion yen to Chisso to help it pay the redress. The fund will also pump 4 billion yen into projects to redevelop the Minamata region.

The 26 billion yen will cover compensation for 8,000 patients and money to be paid to the patients' groups.

The scheme also calls for Showa Denko, which is listed on the first section of the Tokyo Stock Exchange, to donate 250 million yen to Niigata Prefecture to redevelop the region it had polluted.

The mercury poisoning first became apparent in the 1950s in fishing communities where people ate fish and other marine products from Minamata Bay, where a Chisso plant dumped organic mercury.

With the state failing to take adequate measures, spending years to pinpoint the cause of the disease, residents in Niigata Prefecture began to show symptoms of mercury poisoning in the 1960s as a result of mercury pollution caused by Showa Denko.

More than 13,000 people have applied for recognition as Minamata disease patients eligible for compensation from Chisso but the government so far has recognized only some 3,000 people because of restrictive certification standards.

In the Niigata case, 2,000 people have applied for recognition as Minimata disease patients, but so far only 690 have been recognized.

The authorities will begin deciding early next year who among the 10,000 can receive redress, but only about 8,000 of them are likely to be able to get compensation, according to an official estimate.

Initially the government planned that Environment Agency chief Tadamori Oshima would express regret, but Murayama insisted on doing it himself, government officials said.

"I cannot help feeling responsible as one engaged in administration," Murayama told reporters shortly after his cabinet adopted the scheme.

Murayama is the first premier to have made remarks acknowledging the state's responsibility in the Minamata disease disaster but Friday's statement failed to mention government responsibility in the case.

The organic mercury attacks the nervous system, causing such symptoms as numbness of extremities, sight defects, loss of hearing, ataxia and mental disablement, among other things.

'Collusive' Bureaucrat-Media Relations Viewed

OW1512132095 Tokyo SHUKAN DAIYAMONDO in Japanese 18 Nov 95 pp 104-105

[Article by Tadahide Ikuta from the "Deep Structure of Kasumigaseki" series: "The Newspaper Publishing Companies That Have Continued To Promote the 'Corruption' of the Bureaucratic World: The Collusion Between Bureaucrats and Journalists in the Name of Cooperation"]

[FBIS Translated Text] A leading Foreign Ministry official made cynical remarks about the media's successive "criticism of bureaucrats," saying: "I am disgusted by the newspapers' recent frenzy. If they are going to make a fuss about the matter now, they should have done it much earlier, because press club members knew about the issue of the 'excessive entertainment' of finance ministry bureaucrats, or about the issue of 'kankansettai' [the use of public funds by prefectural and other local government bodies to lavishly wine and dine central government bureaucrats and politicians]. The press wrote this or that about Mr. Yoshio Nakajima (former chief of the Institute of Fiscal and Monetary Policy, the Ministry of Finance), but I often saw journalists drinking or enjoying karaoke with Mr. Nakajima. Of course, bureaucrats themselves are to blame, but the press is also responsible for the fact that bureaucrats have 'degenerated' to such an extent. Recently, insufficient preparation is conspicuous among journalists, and some of them come to me, asking for 'something to write about.'"

In addition, a leading construction ministry official also says: "The press plays up the collusion between government offices and business circles under their control. Then, what is the relationship between government offices and newspaper publishing companies? I am of the opinion that the very relationship between government offices and newspaper publishing companies is 'intimate' and 'collusive.' Look at the press club of the Ministry of Posts and Communications."

This is indeed sharp criticism, and it seems that in Kasumigaseki "criticism against the press" is on the rise more than ever.

This may be due to the fact that bureaucrats think it is really embarrassing to be persistently criticized by the press. However, it seems that this is not the only reason.

For example, an influential leader of the Ministry of International Trade and Industry says: "Naturally the press should write about scandals if there are any, and if there are problems with government offices these too should be pointed out. However, the issue the press faces now is whether it is conscious of being the fourth 'power,' or whether it follows its own principles in exercising 'power.' What I feel about today's journalists when I have talks with them is that there are many shallow-minded people among them. Since bureaucrats cannot implement reform themselves, they have great expectations for journalists. Bureaucrats are rooting for journalists."

The reason bureaucrats talk a lot more about newspapers than other forms of mass media is probably due to the power and influence of the newspapers. However, at the same time, there is no denying that bureaucrats are conscious of bestowing special favors on newspapers, and discriminating against other media.

Actually, newspaper publishers are central to the press clubs established in each ministry and agency, and government offices take care of their press clubs down to the smallest detail. Press clubs do not have to pay rent or telephone charges; government offices station female receptionists in press clubs and sometimes even send alcohol to the press clubs.

Government offices hold news conferences only for club members and give particularly favorable consideration to club members in providing information.

There are various opinions concerning the press club system, including those who call for its abolition. At any rate, the press club's reason for being is that it makes government offices which are very closed by nature, a little more "open."

However, the problem is the attitude of journalists who belong to press clubs.

In the National Police Agency's press club, journalists and career bureaucrats from the agency were seen sitting around a mahjong table during the day and "giving and receiving" cash on the spot. It is not known whether they still do it or not, but there is complete collusion between them.

Furthermore, journalists often speak for the benefit of the government offices which they are covering. When they report on power struggles among ministries and agencies, they tend to take up only the claims of the ministries and agencies which they cover, and their reports always lack impartiality.

Moreover, journalists often say among themselves that "the Finance Ministry's press club commands higher respect than other press clubs, and that Finance Ministry press club members assume an air of great importance." In short, it may be that not a few journalists "are kept in service for life" by ministries and agencies under their charge.

That is the reason why many bureaucrats are taking a curt attitude even though the newspapers have joined in a chorus of "criticism against bureaucrats" now.

Newspapers' Executives Are Won Over by Bureaucrats: The Indivisible Oneness of Myths About Bureaucrats and Newspapers

However, it may be cruel to force the problems of newspapers on press clubs only.

For example, ministries and agencies hold a meeting called a "leader writers' conference" by regularly inviting each newspaper publishing company's leader writer and an editorial staff member to meet with them. The ministry and agency wants to expound its policies and wants the newspapers to take up the ministry or agency's policies in their editorial and commentary columns.

However, newspapers very frequently take an easygoing attitude toward this, and it often happens that a few days after the conference each newspaper publishes an editorial that simply introduces what the government office said at the meeting.

Furthermore, the ministry and agency extends individual invitations to the managing editor, the chief leader writer, and the financial editor of each newspaper publishing company and holds a banquet called a "conference." In addition to this, it is likely that the ministry and agency invited each newspaper publishing company president to have a dinner party.

What would happen if the government office whispers into the ear of the top executive of a newspaper publishing company that "it has trouble with the company's journalist who belongs to it's press club"? The journalist will probably be transferred.

The government office side also appoints leaders or top executives of newspaper publishing companies as members of its councils. Even if journalists want to write about these councils critically, they will find it very difficult to write reports that could harm the position of their own companies' executives who are the members of the councils.

At any rate, relations between newspapers publishing companies and each ministry and agency are very close at every level. Therefore, unless the top executives or leaders of newspaper publishing companies have "discernment," newspapers are likely to be used as a means of government offices' public relations.

Moreover, depending upon the degree of closeness between newspaper publishing companies' top executives and bureaucrats, quite different articles end up being written about one problem.

This happened when director general Masahisa Naito of the Industrial Policy Bureau, the International Trade and Industry Ministry was dismissed from service late in 1993.

At that time, within the International Trade and Industry Ministry, YOMIURI SHIMBUN wrote favorably about then Administrative Vice-Minister Hideaki Kumano, and NIHON KEIZAI SHIMBUN wrote favorably about then director general Naito of the Industrial Policy Bureau, thus drawing much attention.

The person concerned with the ministry explains the situation: "Mr. Kumano served as private secretary to then Prime Minister Nakasone, so he is intimately acquainted with Mr. Nakasone. The top executive of YOMIURI SHIMBUN has a close relationship with Mr. Nakasone. In addition, it seems that YOMIURI SHIMBUN decided to 'give support to Mr. Kumano,' in accordance with Mr. Nakasone's wishes.

On the other hand, the top executive of NIHON KEIZAI SHIMBUN was a close friend of Mr. Naito, so this newspaper seems to have followed the course of 'protecting Naito.'

On that occasion, Mr. Naito asked Mr. Kumano to retire early in compensation for his own retirement from office. However, Mr. Kumano did not resign, although he acted like he would.

To this, NIHON KEIZAI SHIMBUN intensified its 'criticism of Kumano,' and YOMIURI SHIMBUN decided to follow the course of 'protecting Kumano.'

By the way, when Mr. Naito became advisor to Sanwa Bank, Ltd., the newspapers reported that Mr. Kumano and Mr. Naito had made peace and that Mr. Kumano had helped Mr. Naito find the position of advisor. This, however, is quite wrong. The fact is that the top executive of NIHON KEIZAI SHIMBUN acted as an intermediary between Sanwa Bank and Mr. Naito."

When we hear such a story, the catchphrase that "newspapers are a public institution" completely loses its significance. If such a story is true, we will have to read articles about government offices with great care.

However, to the great relief of the nation, the press is only part of the mass media. Most of this year's scandals about the Finance Ministry and its bureaucrats became problems through disclosure by magazines.

A mid-ranking division chief at the Ministry of Agriculture, Forestry and Fisheries discusses the future relations between government offices and the mass media, saying: "It has been indeed very convenient for government offices to follow the usual practice — 'cooperation' with national newspapers. However, even among bureaucrats, some have come to the idea that 'this will not do' through self-reflection. The number of bureaucrats who think that they cannot get along unless they openly accept all request for information — both domestic and international requests— regardless of the kind of mass media, will increase in number."

We hope that the collapse of the "myth about bureaucrats" will lead to "reconsidering the myth about newspapers."

KYODO Outlines 1996 Tax Reform Plan

OW1512164595 Tokyo KYODO in English
1500 GMT 15 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO — Japan's tripartite ruling coalition adopted a fiscal 1996 tax reform outline Friday [15 December], proposing relaxation of land and other taxes as a way to prop up the economy.

The outline is basically in line with recommendations presented to Prime Minister Tomiichi Murayama by the government's Tax Commission the same day which feature a call to ease the land tax burden in light of the severity of the current economic slump.

Based on the ruling coalition's outline and the commission's recommendations, the government will forge its tax reform platform for fiscal 1996, which starts next April, in early January, government officials said.

The coalition's outline recommended a 50 percent cut in the national landholding tax, a major financial burden for big companies, to 0.15 percent, effective January 1996, while agreeing to scrap an earlier plan to reduce tax deductions for certain categories of individuals and corporations, effective January 1997.

The agreement on the landholding tax was struck as a compromise among the three coalition parties — the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake [Harbinger].

The final accord moved closer to the stance of the LDP, the largest force in the ruling coalition.

The initial plan called for a cut in minimum taxable land value from 1.5 billion yen to 1.3 billion yen for individuals or for corporations with capital of 100 million yen or less, a proposal meant to expand the taxable base.

The LDP sharply reacted against the original proposal, citing the severity of the current economic doldrums.

Tatsuo Murayama, head of a tax reform project team of the ruling coalition, said, "There were tougher negotiations over the landholding tax among the three parties."

"We have reached agreement as we agreed on the importance of stimulating the economy," he said.

Calculated without considering land price fluctuations, savings under the new step would total 180 billion yen next year, according to another coalition official.

Speaking at a news conference, Tax Commission Chairman Kan Kato said, "Provisional tax adjustment is inevitable because of fears the current economic situation is undermining Japan's economic foundation."

Kato attributed the current economic slump to lackluster land transactions, which he said are closely linked with massive problem assets.

Other steps in the coalition outline for easing the land tax burden include a cut in the capital gains tax on the sale of land held for five years or longer, in particular a reduction from 32.5 percent to 26 percent for individuals who earn up to 40 million yen in profits.

The outline also proposes reduction of the land registration tax and the real estate acquisition tax to levels seen during the asset- inflated bubble economy of the late 1980s, as well as the curbing of municipal fixed property tax burdens.

Also included in the outline are a continuation of income and residential tax cuts totaling 2 trillion yen, a reduction in the securities transactions tax rate to 0.21 percent from 0.3 percent and a preferential tax system on stocks acquired under the stock option system.

As for the taxation of religious corporations and other nonprofit organizations, the outline proposes mandatory financial statement disclosure by groups with annual revenues of 50 million yen or more.

It also called for lowering the tax exemption ceiling applied to profit-earning activities by nonprofit groups from 27 percent to 20 percent.

To make up for an expected tax revenue shortfall next fiscal year, the outline urges stricter application of a preferential tax accorded to "sparkling" low-malt liquor.

Meanwhile, the ruling coalition parties skirted such issues as preferential treatment of taxes on interest on time deposits, whether to maintain income tax deductions on life and nonlife insurance premiums and special tax breaks on savings of the elderly.

Coalition Achieves Compromise on Landholding Tax

Details Reported

OW1512144995 Tokyo KYODO in English
1242 GMT 15 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO — The three ruling coalition parties struck a compromise Friday [15 December] night over their review of the national landholding tax, ending feuding that had once appeared settled if marathon talks that ran all Thursday night, coalition officials said.

The settlement cleared the way for the three parties — the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) and New Party Sakigake — to forge a tax reform outline for fiscal 1996, which starts April 1, 1996.

The ruling parties agreed to halve the landholding tax rate to 0.15 percent, effective from January 1996, while agreeing to scrap an original plan to squeeze tax deductions for certain categories of individuals and corporations, the officials said.

The final accord moved closer to the stance of the LDP, the largest force in the ruling coalition.

The initial plan called for a cut in minimum taxable land value from 1.5 billion yen to 1.3 billion yen for corporations with capital of 100 million yen or less and individuals, a proposal meant to expand the taxable base.

The LDP sharply reacted against the original proposal, which the three parties once adopted in the marathon talks, citing the severity of the current economic slump.

In the negotiations leading up to Friday's compromise, the LDP had even urged the repeal of the landholding tax as a means to spur slumping real estate deals and thus rev up the sagging economy.

But the two other parties were cautious about an outright scrapping of the tax, proposing a minor reduction in the 0.3 percent tax rate.

The coalition hopes these measures will revitalize the real estate market, which has ebbed since the bursting of the bubble in the early 1990s.

Also included in the outline are a continuation of income and residential tax cuts totaling 2 trillion yen, a reduction in the securities transaction tax to 0.21 percent from 0.3 percent and a preferential tax system on stocks acquired under the stock option system, the officials said.

For taxation on religious groups and other nonprofit organizations, the outline proposes mandatory disclosure of a financial statement by groups with annual revenues of 50 million yen or more, they said.

It also calls for lowering the tax-exempt ceiling applied to profit-earning activities by nonprofit groups from 27 percent to 20 percent.

The outline seems to abolish a special inheritance tax evaluation measure, which has been blamed for higher inheritance tax burdens, from next January, the officials said.

To make up for an expected tax revenue shortfall next fiscal year, the outline urges a stricter application of a preferential tax accorded to "sparkling," low-malt liquor, they said.

The coalition parties left aside for further study such issues as preferential treatment of taxes on interest on time deposits and income tax deductions on life and nonlife insurance premiums, the officials said.

Businessmen Respond Critically

OW1512154095 Tokyo KYODO in English
1459 GMT 15 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO — Business leaders took a critical view Friday [15 December] of a fresh coalition proposal on reduction of the national landholding tax, calling it insufficient to stimulate the economy.

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren) said, "It is very regrettable that the reform of the landholding tax has been insufficient."

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, shared the view, saying, "Some consideration (for businesses) has been seen but the step is inadequate."

In a tax reform outline for fiscal 1996, the three parties in the ruling coalition agreed to halve the landholding tax rate to 0.15 percent.

Jiro Ushio, chairman of the Japan Association of Corporate Executives (Keizai Doyukai), said, "I am dissatisfied with the outline's failure to scrap the tax."

The outline also avoided a specific commitment to reduction of the corporate tax, a situation described as "regrettable" by Jiro Nemoto, president of the Japan Federation of Employers' Associations (Nikkeiren).

The planned reduction of the landholding tax will save the steel industry land ownership costs of around 5 billion yen, according to industry estimates.

But one industry source described the step as only "fine-tuning" in view of the industry's aggregate tax burden — the national landholding tax and municipal fixed property tax — of 90 billion yen for the current fiscal year.

The outline is more disappointing for the real estate industry, which has urged the outright scrapping of the landholding tax.

One official at the Real Estate Companies Association of Japan said the step was struck as a political compromise.

Takeshi Fukuzawa, president of Mitsubishi Estate Co., said he sees the new step on the landholding tax as "very regrettable."

Mitsubishi Estate pays an estimated 6 billion yen or so of landholding tax annually, the largest among Japanese corporations.

Yoshiaki Itakura, chairman of the Japan Department Stores Association, said he wants the landholding tax to be scrapped next fiscal year.

The new outline did not address basic problems involved in the tax, such as its purpose and inequality, Itakura said.

The continuation of the income and residential tax cut and relaxation of the capital gains tax on land sales were received favorably, by Keizai Doyukai's Ushio and Japan Chamber of Commerce and Industry head Inaba among others.

Source: Nearly 2.5% Defense Growth Likely

OW1812100795 Tokyo KYODO in English
0922 GMT 18 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 18 KYODO — Negotiations among the ruling coalition parties over the level of defense spending for the next fiscal year are boiling down to a growth of around 2.4 to 2.5 percent, coalition sources said Monday [18 December].

The Social Democratic Party (SDP) wants the year-on-year growth in defense expenditure to be set at 2.1 percent or lower, while the Defense Agency is seeking an expansion of 2.9 percent to 4,860.6 billion yen, the sources said.

In a meeting of senior lawmakers in charge of defense policy, the SDP said the increase should be capped at 2.1 percent, the average annual growth rate for the next five years agreed recently among the three ruling coalition partners.

The three parties — the Liberal Democratic Party (LDP), the SDP and New Party Sakigake — plan to continue the talks to strike a deal by the end of the day.

The final decision is likely to be left to talks between Finance Minister Masayoshi Takemura of Sakigake and Defense Agency head Seishiro Eto of the LDP.

A compromise is expected to be reached at around 2.4 to 2.5 percent, according to the sources.

The Defense Agency's proposal of 919.7 billion yen in outlays for front-line equipment was opposed by the SDP, which insists they should be limited to 825 billion yen, the figure for the current fiscal year, or lower.

The agency then tabled a compromise proposal of 835 billion yen, representing a 1.2 percent growth as stipulated in the recently agreed five-year defense spending program.

Ministry Takes Steps To Buoy Securities Market

OW1512145495 Tokyo KYODO in English
1131 GMT 15 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO — The Ministry of Finance (MOF) on Friday [15 December] announced a set of deregulatory measures intended to reactivate the long-slumping securities market.

The measures are comprehensive, ranging from ways to upgrade the bond market, assistance of streamlining efforts at brokerage houses and simplified procedures for corporate disclosure to an easier eligibility of stock listing by foreign companies and expanded stock option systems, the ministry said.

The proposals were worked out as a result of the recent hearing by the ministry of securities companies across the nation, the ministry said.

The steps are expected to maximize effects of deregulation measures already adopted in the previous economic packages and the March 1995 deregulatory proposals, ministry officials said.

The new package will ease regulations governing the system of warrant stock options of unlisted companies, effective January next year, the ministry said.

Under the stock option system, corporations grant employees the right to acquire company shares and warrants in lieu of bonuses.

At present, recipients of a warrant under the system must exercise the warrant right by converting it into shares before the public offering of the company's stock, a rule to be scrapped under the new deregulation proposals.

The package will also relax a listing criterion for foreign companies by repealing a requirement that such companies wait five years after their foundation before being listed on the foreign section of the Tokyo Stock Exchange, the ministry said.

Foreign companies will need to wait only three years after January 1996, the ministry said.

Meanwhile, the ministry will effectively call off credit rating requirements for issuing commercial paper (CP).

Under the current system, companies must have an A1 or A2 short- term rating to issue CP. MOF expects to ease the regulation by counting A3 ratings as eligible, effective April 1996. A1, A2 and A3 almost exhaust investment-grade ratings.

The ministry also plans to extend the maximum maturity of CP to less than one year, the longest maturity possible for money market products, from the current nine months or less, the ministry official said.

To help invigorate cross-border bond transactions, MOF will ease a system barring residential Euroyen bond issuers from selling their bonds to Japanese investors for the first 90 days of issuance.

The ministry plans to shorten the "seasoning period" to 40 days, effective April 1996, and will study the possibility of repealing the entire system by April 1998, according to the official.

As a step to enhance the disclosure of investment data to individual investors, the ministry plans clear rules enabling companies to use charts and photos, and general management benchmarks, in their summary plans for securities issuance.

Corporate securities issuers have rarely issued the summaries because the ministry has not clarified what sorts of information can be contained in the documents, the official said.

Ministry Notes Trade Surplus Falls Again in Nov

OW1812025295 Tokyo KYODO in English 0240 GMT 18 Dec 95

[FBIS Transcribed Text] TOKYO, Dec. 18 Kyodo — Japan's merchandise trade surplus in November shrank 23.0% to 6.58 billion dollars, for the fifth straight month of decline from year-earlier levels, the Finance Ministry said in a preliminary report Monday [18 December].

The five-month string of falls in the seasonally unadjusted trade surplus is the longest after a 10-month streak from May 1989 through February 1990, a ministry official said.

"Japan's trade surplus is basically in a downward trend," he said, noting that import volume increases have surpassed export growth for about two and a half years.

The politically sensitive trade surplus with the United States fell for the sixth straight month, plunging 45.2% from a year earlier to 2.82 billion dollars, and the biggest decline since a 46.5% fall in April 1990, the official said.

"With continued falls in exports, notably automobiles, and increasing imports, Japan's trade surplus with the U.S. is also in a downtrend," the official said.

On a customs-cleared basis, exports in November edged up 2.8% to 35.42 billion dollars and imports grew 11.4% to 28.84 billion dollars, the ministry said.

November was the 33rd consecutive month of increases from year- earlier levels for both exports and imports.

The ratio of imports of manufactured goods to the total hit a record high of 61.6%, surpassing the previous high of 61.3% posted in October, the official said.

Trade surplus with the European Union rose 19.6% to 1.55 billion dollars, marking the first yearly growth in two months, while that with Asian nations increased for the 10th month in a row, with a 2.5% rise to 4.87 billion dollars.

In November, the dollar was quoted at an average 101.61 yen, up 4.1% from 97.41 yen for the corresponding month last year, according to the ministry.

In volume, exports returned to the plus column with a 0.4% rise from a 1.5% dip in October, while imports increased 7.5%, marking the 31st consecutive month of yearly gains.

By product, exports of electronic parts such as semiconductors continued increasing, up 35% in value, with those of integrated circuits (ICs) growing 37%.

Exports of vessels grew 39.4% in value and those of steel rose 19.7%.

In contrast, exports of automobiles decreased 18.3% in value, with the volume falling 15.4% to 329,037 vehicles. Car exports to the U.S. dropped 35.2%.

Imports of office equipment surged 93.7% in value, notably from Asian nations with a 140% jump, on the back of strong domestic demand for computers as well as increasing local production by Japanese makers, the official said.

Imports of semiconductors increased sharply by 82.7% and those of aircraft shot up by 402.6% in reaction to few purchases of large planes in the corresponding month last year, the official said.

Imports of automobiles increased 12.8% in value, with a sharp 99.2% rise in imports from the U.S.

In contrast, imports of crude oil fell 6.4% with its market price down 1.4% to 17.10 dollars per barrel from 17.35 dollars a year earlier and with the volume falling 5.1%.

Hisashi Yamada, an economist at the Japan Research Institute, said the downtrend in the nation's trade surplus is clearly established.

Substantial drops in the trade surplus with the U.S., led by shrinking auto exports, reflect increases in production overseas by Japanese automakers in the wake of the Japan-U.S. auto trade negotiations, Yamada said.

Japan's trade surplus is expected to continue decreasing as imports grow, although material exports to Asian nations are likely to increase steadily to meet growing demand to improve infrastructure and for the manufacture of goods there by Japanese firms, he said.

Government Projects 2.5% GDP Growth in '96

OW1512145095 Tokyo KYODO in English
1139 GMT 15 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO — The government prepared to adopt an economic forecast Friday [15 December] expecting Japan's gross domestic product (GDP) to grow 2.5 percent in real terms and 2.7 percent in nominal terms in fiscal 1996 beginning April 1, government officials said.

Prime Minister Tomiichi Murayama gave the nod to the forecast presented by Isamu Miyazaki, head of the Economic Planning Agency (EPA), the officials said, adding the projection will be formally adopted by the government Tuesday.

Although the Japanese economy is starting to show signs of a pickup on the correction of the yen's steep appreciation and a stimulus package mapped out by the government, the predicted real inflation-adjusted GDP growth is slightly higher than the lowest initial projection of around 2.4 percent made for fiscal 1994 because the economy has yet to stage a full rally in view of sluggish exports and other uncertainties.

The EPA forecast envisages domestic demand pushing up GDP by 2.7 percentage points. But external demand is expected to contract it by 0.2 point.

GDP measures a nation's output of goods and services minus foreign income.

For fiscal 1995, the EPA puts real GDP growth at 1.2 percent, down sharply from its initial projection of 2.8 percent. The forecast of nominal growth has also been revised downward to 0.9 percent.

Japan's current account surplus is forecast to shrink to 105 billion dollars in fiscal 1995 and to 99 billion dollars in fiscal 1996 in light of declining exports, according to the EPA projection.

The agency also foresees the continuation of stable prices, with wholesale and consumer prices expected to rise only 0.1 percent and 0.5 percent in fiscal 1996.

The official rate of unemployment is projected at 3.1 percent for fiscal 1996, the highest since fiscal 1972.

MITI: Industrial Output Rises 1.3% in Oct

OW1512073595 Tokyo KYODO in English
0655 GMT 15 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 15 KYODO — Japan's industrial production for October increased 1.3 percent from the previous month, a slight upward revision from a preliminary 1.2 percent gain, the Ministry of International Trade and Industry said Friday [15 December].

Output at the nation's factories and mines for the reporting month came to an index reading of 94.2 against the base 100 for 1990, MITI said.

Industrial shipments edged up 0.7 percent to an index reading of 95.3, revised upward from a preliminary 0.5 percent growth, MITI said.

Inventories rose 1.4 percent, revised from a 1.2 percent increase, for an index reading of 109.5.

Daiwa Bank Announces Transfer of Trust Assets

OW1812113795 Tokyo KYODO in English
1108 GMT 18 Dec 95

[FBIS Transcribed Text] Osaka, Dec. 18 KYODO — Scandal-tainted Daiwa Bank said Monday [18 December] it will transfer custody of about 970 billion yen worth of trust assets overseas to foreign banks by the end of this year.

The Osaka-based major commercial bank said the decision is in line with a restructuring program designed to prevent a recurrence of the scandal arising from a 1.1 billion dollar loss in unauthorized bond trading at its New York branch.

The bank has been ordered to withdraw its operations in the United States by early February next year.

The bank said the loss stemmed from its failure to separate securities trading and certificate custody services.

To be transferred will be the trust assets in custody at its eight operational bases overseas such as branches in New York, London and Singapore, and subsidiaries, bank officials said.

Their custody will be handed over to such foreign banks as Chase Manhattan Bank, Lloyds Bank, Hong Kong and Shanghai Banking Corp. and Dresdner Bank A.G., they said.

Labor Turnover Ratio Shows Improvement Jan-Jul

OW1812112895 Tokyo KYODO in English
1043 GMT 18 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 18 KYODO — A ratio to assess economic activity from labor turnover edged up in the January-July period of 1995, the first rise in four terms on a first-half basis, the Labor Ministry said in a survey report Monday [18 December].

The ratio of people who were newly employed or left their jobs to overall workers rose 0.8 percentage point from the same period of 1994 to 16.4 percent, reflecting an increase in job changes among young people, the ministry said.

In the latest first-half period, 3.3 million people were newly employed and 2.98 million people left their jobs, bringing the labor turnover number to 6.28 million, it said.

For young people aged 20-24, the ratio of people who changed jobs came to 7.5 percent for males, up 2.2 points, and to 7.3 percent for females, up 0.9 point, the ministry said.

The survey, conducted in June, covered about 14,000 businesses selected from those with at least five employees in the nation's major nine industry sectors.

A ministry official said the improvement in the labor turnover ratio was attributable to slowed job restriction moves among companies rather than a pick-up in economic activity.

Corporate efforts to reduce labor forces are approaching maximum levels, the official said.

According to the ministry, the surveyed companies plan to recruit 428,600 new graduates for fiscal 1996, the year that starts next April, down 49,400 from the previous year's survey.

In particular, the number of newly recruited high school graduates dropped 14.8 percent to 230,400, it said.

Aid Extension Sought for Earthquake-Hit Firms

OW1812092395 Tokyo KYODO in English
0823 GMT 18 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 18 KYODO — A Labor Ministry advisory panel submitted to the Labor Minister Monday [18 December] a report calling for a one-year extension of government aid to companies hit by January's devastating Great Hanshin Earthquake in western Japan, ministry officials said.

The report by the Central Employment Security Council is in response to a request made earlier this year by Labor Minister Shinji Aoki to study the possibility of extending the temporary employment measures due to expire in late January.

The officials said the companies will remain eligible for special subsidies to promote employment offered by the government until Jan. 22, 1997.

The subsidies will be offered to companies which are forced to temporarily lay off or relocate employees due to quake damage and to those which hire workers between 45 and 55 years old or disabled people.

Government Panel Urges Easing of Staff Rule

OW1812092895 Tokyo KYODO in English
0825 GMT 18 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 18 KYODO — The government should ease the current rules on temporary workers and allow corporations to hire such staff for almost all kinds of jobs if they are to replace employees who are taking leave to care for infants and ailing family members, a government panel said in a report released Monday [18 December].

In addition to the "special measure," the Central Employment Security Council, an advisory panel to the labor minister, also suggested the government add 12 more jobs for which temporary staff can be hired.

To date, Japan has limited hiring temporary workers to only 16 kinds of jobs, including interpreters, computer engineers and secretaries, on the grounds that the position of workers could be weakened under such a system.

However, the rule was reviewed by the panel due to growing calls for relaxing the regulations from the private sector, such as the Japan Federation of Employers Associations (Nikkeiren).

They said easing the rule is necessary, because for many Japanese employers it has become difficult to allow their workers to take leave to care for children under a year old or for ailing family members as the companies have cut their workforces amid the economic slump in recent years.

With the report, handed to Labor Minister Shinji Aoki on Monday, the ministry is expected to start compiling bills to change the regulations on the business of dispatching temporary workers as well as on child care and nursing leave.

The bills will be submitted to the next ordinary Diet session in January, and be implemented from the fall of next year, ministry officials said.

If the rule on temporary workers is eased, it will be helpful particularly for small and medium-size firms to allow their employees to take child-care and nursing leave.

It is also expected to give a boost to temporary staff agencies.

Specifically, the panel recommended in the report that the hiring of temporary workers should be allowed in all kinds of jobs, with the exceptions of those in port transportation, construction and security guard work.

On the other hand, it said, measures should be taken to enable workers to seek damages in case of unreasonable contract cancellations and to forestall unfair employment conditions.

The current three-year licenses of temporary staff agents should be extended, the panel also suggested.

The Labor Ministry is considering a five-year term for the renewal of such licenses, according to ministry sources.

The 12 new job areas the panel suggested for allowing temporary hiring include those of hospital helpers, book editing, office equipment instruction, interior coordination, advertisement designing, research and development, and business planning.

Government Panel Proposes Family Care Subsidies

OW1812094495 Tokyo KYODO in English 0903 GMT 18 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 18 KYODO — A Labor Ministry advisory panel proposed Monday [18 December] the institution of a new system to subsidize workers who find it necessary to use funds from their property accumulation savings to cover costs for family care, ministry officials said.

The officials said the proposal was made by the council for workers property accumulation in a report delivered to Labor Minister Shinji Aoki.

They said the proposed scheme enables the government to provide a subsidy of up to 70,000 yen to salaried workers at smaller companies and up to 35,000 yen to those at major companies who were forced to dip into their savings to care for newborn babies or elderly family members.

Workers of midsize and smaller companies will be allowed to transfer their savings accounts to new financial institutions with better benefits after a certain period, and local trade and industry associations will arrange for the transfer of accounts upon request from account holders, they said.

The ministry plans to submit a revised law governing property accumulation savings to the regular session of the Diet early next year for implementation in January 1997, the officials said.

Aviation Council Urges Safety Check Revision

OW1712122395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Dec 95 Morning Edition p 38

[FBIS Translated Text] The Civil Aviation Council (chaired by Teikyo Heisei University President Yoshinosuke Yasojima), which reviewed the civil aircraft inspection system, urged in its report that the existing system be revised so that government-authorized maintenance companies, such as aircraft manufacturers and carriers, can conduct inspections, which so far, have been conducted by the government. The revision is aimed at giving priority to safety checkups to body design and other significant items by streamlining the inspection system. The council submitted the report to the transport minister on 14 December.

The Ministry of Transport [MOT] will submit the revised Aviation Act to the Diet so that the new system can be enforced in FY97.

The report urges that efforts be made to give the private sector opportunities to conduct an airworthiness test on behalf of the government. In particular, domestically-produced aircraft will be tested by Japanese makers; imported airplanes, by producing countries; and aircraft that apply for license renewal, by repair companies.

Under the new system, the MOT will conduct a design checkup for each imported model, while abolishing a unit-by-unit examination. Private maintenance companies, which will take over the examinations, will grant permits to airplanes after inspecting facilities for quality controls and other items. About 1,800 planes need to undergo the inspection each year. The MOT believes that "The private sector will be able to cover about 20 percent of them."

Chip Makers Cut Holidays To Meet Demand

OW1612075295 Tokyo KYODO in English
0652 GMT 16 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 16 KYODO — Major Japanese semiconductor manufacturers will substantially cut year-end and New Year holidays to meet strong growth in demand just as they did this summer, according to company officials.

The move is in stark contrast to rising trends among other manufacturing sectors to take more days off in that period as a way of coping with stagnant economic activity.

The microchip sector's New Year holidays will be the shortest in the last few years, industry sources said.

A manufacturing subsidiary of electronics giant NEC Corp. in Kumamoto, Kyushu, southwestern Japan, has trimmed such holidays to three days starting Jan. 1 from an initially planned seven days starting Dec. 30.

Another NEC unit, based in Otsu, Shiga prefecture, western Japan, will also reduce its holidays to three days starting Jan. 1 from an earlier planned nine days.

It is the third consecutive year for the NEC group to cut year- end and New Year holidays, a company spokesman said.

Toshiba Corp. is considering reducing such holidays at its mainline chip plants to only two days, while Fujitsu Ltd. is expected to curtail holidays at its main factories from an initially planned six days starting Dec. 30.

Computer memory chips are now in short supply, notably those for use in personal computers and their peripheral equipment, and mobile phones.

In addition, booming sales of household electrical appliances in Asian countries have brought about explosive demand for semiconductors.

Toyota To Set Up Parts Marketing Company

OW1512081095 Tokyo KYODO in English
0734 GMT 15 Dec 95

[FBIS Transcribed Text] Nagoya, Dec. 15 KYODO — Toyota Motor Corp. plans to establish next April in Nagoya a marketing company to oversee a network of projected sales outlets for imported repair parts and low-cost replacement parts, Toyota officials said Friday [15 December].

The project is in line with a global business plan the automaker announced on the eve of the June 28 settlement of Japan-U.S. auto trade dispute in Geneva, the officials said. The plan, along with similar programs simultaneously unveiled by other automakers, helped reduce tension between the two nations.

The establishment of the new auto parts marketing company is designed to both increase imports of foreign-made auto parts and break into the burgeoning market for such repair and replacement parts sold at suburban discount stores, they said.

the name of the new sales outlets has not been decided.

However, the name Toyota will not be used to help customers distinguish them from an existing extensive web of sales outlets for Toyota's original equipment parts which are specifically made for installation on Toyota-made vehicles, they said.

Toyota plans to solicit applications mainly from Toyota-affiliated shops which are interested in concluding franchise agreements with the new marketing company, on top of some stores to be managed directly by the new marketing company, they said.

The first such outlet will be opened next summer at the earliest, they added.

North Korea

U.S. Marine Artillery Exercises Reported

SK1512233295 Pyongyang Korean Central Broadcasting Network in Korean
1200 GMT 13 Dec 95

[FBIS Translated Text] According to a report, the U.S. Marine Corps in Okinawa conducted another live artillery firing exercise beginning 12 December. Reporting on this, Japan's MAINICHI SHIMBUN said the U.S. Marine Corps announced a live firing exercise until 15 December for its 155mm howitzers at its training site in Kunigami, Okinawa Prefecture, across the prefecture's Highway 104.

This is the 11th firing exercise conducted this year. Live artillery firing exercises by the U.S. Marine Corps in Okinawa, which were suspended after the strong protest of local residents in the wake of the sexual assault by the U.S. Army [as heard] on a Japanese elementary school girl in September, resumed for three days beginning 29 November.

That the U.S. Marine Corps again conducted the live artillery firing exercise, which threatens the safety of the residents and the environment, and which ignores the Japanese people who call for the suspension of the exercises, well reveals the arrogance and insolence of the U.S. Forces in Japan who are excited by war fever.

Spokesman Comments on Reactor Accord

SK1612093295 Pyongyang KCNA in English 0911 GMT 16 Dec 95

["Spokesman of DPRK Foreign Ministry on Signing of LWR Supply Agreement" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 16 (KCNA) — A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea on December 16 gave the following answer to a question put by KCNA as regards the signing of an agreement on provision of light-water reactors (LWR):

An agreement on the provision of light-water reactors was signed in New York on December 15 between the Democratic People's Republic of Korea and the U.S.-led Korean Peninsula Energy Development Organisation (KEDO).

Stipulated in this agreement are all technical and practical measures to be taken by the United States, in accordance with the DPRK-U.S. agreed framework, for implementing its obligations to provide light water reactors to the DPRK, including the scope of provision, the date of payment, organizational work for the impementation, guarantee of quality and assurance.

Therefore, the DPRK, as is specified in the DPRK-U.S. agreed framework and the joint press statement, is to take over two light water reactors each with a generating capacity of 1,000,000 kw in the year 2003 on a turnkey basis, without paying its money at all for the project including the infrastructure construction as it has no other choice.

As the agreement was signed though a little bit late, the KEDO can break the ground for the construction of LWRs and a new progress can be expected in the implementation of the framework agreement between the DPRK and the United States.

The signing of the agreement is no more than a start for the LWR project. Practice is yet to be done.

As is known to all, the key point in the framework agreement is that the United States provides LWRs to the DPRK in return for the freeze of graphite-moderated reactors in the DPRK.

We have frozen our nuclear activities in accordance with the framework agreement ever since it was published. Even when our dialogue partner was not observing the principle of simultaneous action agreed upon by the DPRK and the United States, we did not give up the nuclear freeze.

How the framework agreement is implemented depends entirely on whether the United States observes the principle of simultaneous action.

From now on, we are going to see if the U.S. is willing to do so through the process of carrying out the LWR project.

The KEDO should fully discharge its obligations pursuant to the recent agreement under the U.S. leadership in accordance with its mission — providing the DPRK with funds and facilities for the LWR project as is set out in the framework agreement of October 21, 1994.

Some forces are urging the DPRK to completely implement the safeguards agreement, ignoring the schedule set out in the LWR supply agreement, even at this time when the agreement has been signed and endorsed by all parties concerned. This is intolerable.

If the United States and the KEDO promote the LWR project as schedule on the principle of simultaneous action [as received], we will continue to fulfill our obligation — nuclear freeze.

KEDO Site Survey Team Arrives in Pyongyang

SK1612134895 Pyongyang Korean Central Broadcasting Network in Korean 1304 GMT 16 Dec 95

[FBIS Translated Text] The third survey team of the Korean Peninsula Energy Development Organization [KEDO] led by the United States of America arrived in Pyongyang by airplane on 16 December to conduct a survey of the site where the light-water reactors are to be constructed under the terms of the DPRK-U.S. agreed framework.

U.S.-Japan 'Military Collusion' Denounced

SK1712140395 Pyongyang Korean Central Broadcasting Network in Korean 0753 GMT 17 Dec 95

[Dialogue between station reporters Chong Sung-kang and Yi In- chun: "On the Dangerous Future-Oriented Military Collusion Aimed at Crushing Us"]

[FBIS Translated Text]

[Yi In-chun] How are you?

[Chong Sung-kang] Fine. How are you?

[Yi] Fine. The United States is bolstering its military collusion with Japan to realize its Asia strategy. Let us discuss this today.

[Chong] Okay. As has already been reported, Japan's Self- Defense Forces and the U.S. Navy conducted a large-scale joint military exercise in a simulated blockade of maritime transportation by multinational armed forces in early November, under the pretext of coping with so-called instability on the Korean Peninsula. About 110 various ships of the Self-Defense Navy, about 170 military planes, including anti-submarine patrol planes, and 29,000 troops were mobilized in the military exercise which was madly carried out on the Pacific coast of Japan between Kyushu and Honshu. The U.S. aircraft carrier Independence as well as some 10 other ships and about 100 military planes of the United States were also mobilized in the military exercise.

At that time, U.S. Assistant Secretary of Defense Nye openly stated that the U.S. troops are stationed in Japan to cope with North Korea's military threat and he trumpeted the need to keep them stationed there. This plainly shows the U.S. hidden desire to dominate the Asia-Pacific region using strong-arm measures.

[Yi] It really does. The United States says it is reinforcing its military alliance with Japan to cope with a so-called threat from us. However, this is a mean trick to cover its criminal maneuver to militarily crush, isolate, and suffocate our Republic.

[Chong] That is right.

[Yi] There has never been, nor is there now a military threat from us in the Asia-Pacific region, although the United States has been talking as if there is.

[Chong] Absolutely not.

[Yi] It is not the United States that is exposed to a military threat, but instead our country and other countries in the Asia- Pacific area.

[Chong] That is right. The United States has an invariable ambition to dominate the Asia-Pacific region by force. To this end, the United States is taking aim mainly at our Republic. The U.S. statement on keeping U.S. troops stationed in Japan and the new U.S.-Japan joint military exercise are part of a U.S. war provocation maneuver to attack us at any time. The United States is desperately trying to win the Japanese military forces over to its side so it can easily achieve its aggressive goal by stretching DPRK-U.S. hostilities out to Japan. The Japanese military forces' participation in the U.S. strategy on Asia implies a great danger. The U.S. hostile policy toward the DPRK has created the tense situation on the Korean Peninsula, in which a war may take place at any time, has it not?

[Yi] Yes, it has. We proposed the establishment of a new peace mechanism to ease tensions created by the United States and to secure a peaceful atmosphere on the Korean Peninsula, and have been making every possible effort to realize it. However, our proposal for the establishment of a new peace mechanism has not been realized because of the insincere U.S. attitude, has it?

[Chong] No, it has not.

[Yi] The U.S. maneuver to drag Japan into its policy on Korea under the situation, in which tense hostilities between the DPRK and the United States remain, is an antipeople criminal act of driving not only the Korean Peninsula but all the Asia-Pacific region including Japan into a calamity of war in an emergency.

[Chong] That is right.

[Yi] This is why the peace-loving people of the world are unanimously concerned about the U.S.-Japan military collusion, are they not?

[Chong] Yes, they are. People in the Asia-Pacific region denounce and oppose the U.S. policy to aggravate tensions in this region. The Japanese people also strongly demand the withdrawal of U.S. troops from Japan. There is nothing that Japan can gain by participating in the U.S. cold war policy. The Japanese belligerent circles should clearly be aware that their participation in the U.S. cold war policy, disregarding the Japanese peace-loving people's desire, is a dangerous and criminal act that may cause a second war calamity. The U.S. insidious intention to reinforce military collusion with Japan while talking about preparations for a so- called threat will face even greater denunciation and opposition by the peace-loving people of the world.

[Yi] It certainly will. Now, let us conclude today's discussion.

Comments on LWR Agreement With United States

SK1712134895 Pyongyang Korean Central Broadcasting Network in Korean 1210 GMT 17 Dec 95

[FBIS Translated Text] An agreement on the supply of light-water reactors [LWRs] was concluded in New York on December 15 between the DPRK Government and the Korean Peninsula Energy Development Organization [KEDO]. Delegations of our country and KEDO attended the ceremony for signing the agreement. It was signed by Ambassador-at-Large Ho Chong, head of our country's delegation, and KEDO's Executive Director Stephen Bosworth, head of the KEDO delegation.

After signing the agreement on the supply of LWRs, the head of our country's delegation called a news conference, where about 70 reporters were present.

The head of our country's delegation told the reporters:

The provision of LWRs is a key point in the implementation of the DPRK-U.S. agreed framework.

The United States promised the DPRK that it would take full responsibility for the supply of LWRs in its President's letter of assurance and in the DPRK-U.S. agreed framework.

Since the DPRK-U.S. agreed framework was announced, the DPRK has sincerely implemented its obligation of a nuclear freeze and made all possible efforts so that an agreement on the supply of LWRs could be concluded in conformity with the provisions of the DPRK- U.S. agreement.

At the negotiations held so far we have consistently maintained the principled stand that we will not pay even a penny until the completion of the LWR project because the LWR supply and the freeze of graphite-moderated reactors are ensured by the principle of simultaneous action based on mutual verification. It has been made clear that KEDO will undertake all things until the completion of the LWR project because our dialogue partner accepted this principle at the negotiations.

As the LWRs will be built in our land, we have great interest in accepting safe and perfect LWRs.

It was clearly manifested in the agreement on the supply of LWRs concluded this time that as is specified in the DPRK-U.S. agreed framework, the DPRK has the right to take over two completed LWRs each with a generating capacity of 1,000,000 kw by the year 2003 on a turnkey basis and thoroughly verify the safety and quality of the LWRs in the whole course of implementation of the LWR project.

He continued, saying that the signing of the supply agreement is no more than a start for implementation of the DPRK-U.S. agreed framework. If the principles agreed upon between the DPRK and the United States, especially the principle of simultaneous action based on each other's verification, are not thoroughly observed, it will be impossible to avoid vicissitudes in implementing the LWR project. This is a serious lesson learned from the negotiations.

In order to ensure that the LWR agreement is successfully carried out, the principle of simultaneous action should be thoroughly observed and the LWR project issue should no longer be used for unreasonable political purposes.

At this time, however, hostile forces are still talking about a threat from North Korea and staging reckless political and military commotions against us on and around the Korean Peninsula, arousing serious misgivings.

If the United States and the KEDO members truly wish to sincerely implement the agreement, they should immediately stop these commotions.

The delegation head then answered questions put by reporters.

That day, a joint communique was published in New York concerning the conclusion of the agreement on the supply of LWRs from KEDO to the DPRK Government. The joint communique read that the agreement on the supply of LWRs was concluded in accordance with the DPRK-U.S. agreed framework dated 21 October 1994 and the DPRK-U.S. joint communique dated 13 June 1995, and that it is an important step toward their compete implementation.

Spokesman Explains Some Details of LWR Accord

SK1812001395 Pyongyang Korean Central Broadcasting Network in Korean 2115 GMT 16 Dec 95

[FBIS Translated Text] On 16 December, a spokesman for the DPRK Foreign Ministry gave the following answer to a question by a reporter of the KOREAN CENTRAL NEWS AGENCY concerning the signing of an agreement on providing light-water reactors (LWR) pursuant to the DPRK-U.S. framework agreement.

On 15 December, the DPRK and the U.S.-led Korean Peninsula Energy Development Organization [KEDO] signed an agreement in New York on providing light-water reactors.

Stipulated in this agreement are all the technical and practical measures [cheban kisul silmujok chochidul] to be taken by the United States too implement its obligations to provide light-water reactors to us in accordance with the DPRK-U.S. framework agreement, including the scope of the provision, the date of payments, the organizational work for its implementation, and guarantees of quality and assurance.

Thus, as is specified in the DPRK-U.S. framework agreement and the joint press statement, we are to take over the two light-water reactors, each with a generating capacity of 1,000,000 kw, in the year 2003 on a turnkey basis, and we are not to pay at all during the carrying out of the project, including infrastructure construction, as we have no other choice. [deleting "without" from original version]

Now that the agreement is signed, though belatedly [pirok nukkenama], KEDO can break the ground for constructing the LWRs and new progress [saeroun chinjonul] can be expected in the implementation of the framework agreement between the DPRK and the United States.

However, the signing of the agreement is no more than a beginning [chulbale chinaji anutta] for the LWR project. Its practice is yet to be implemented.

As is known to all, the key point in the DPRK-U.S. framework agreement is that the United States will provide LWRs to us in return for our freezing [tonggyol] our graphite-moderated reactors.

We have consistently frozen our nuclear activities [sijongilgwan uriui haek hwaltongul tonggyol sikyo ogc itta] in accordance with the DPRK-U.S. framework agreement ever since it was published.

Even when our dialogue partner was not observing the principle of simultaneous action agreed upon by the DPRK and the United States, we did not abandon the freeze [tonggyol].

Therefore, how the DPRK-U.S. framework agreement is implemented entirely depends on whether the United States observes the principle of simultaneous action.

From now on, we are going to see if the U.S. is willing to do so through the process of carrying out the LWR project.

Pursuant to the recent agreement, KEDO should fully discharge its obligations under U.S. leadership in accordance with its mission to provide the DPRK with funds and facilities for the LWR project as is set out in the DPRK-U.S. framework agreement of 21 October 1994.

Some forces are urging the DPRK completely implement [wanjonhan ihaeng] the safeguards agreement, ignoring the schedule set out in the LWR supply agreement, even at this time when the agreement has been signed and endorsed by all parties concerned. This is intolerable [yongnap toelsu optta].

If the United States and KEDO promote the LWR project as scheduled in accordance with the principle of simultaneous action [tongsi haengdong] agreed upon by the United States and KEDO, we will continue fulfilling our obligation to a nuclear freeze.

News Conference by Leader to LWR Talks Reported

SK1812020895 Pyongyang KCNA in English 1039 GMT 17 Dec 95

["LWR Supply Agreement Concluded Between DPRK and KEDO" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 17 (KCNA) — An agreement on the supply of light-water reactors [LWRs] was concluded in New York on December 15 between the Government of the Democratic People's Republic of Korea and the Korean Peninsula Energy Development Organization (KEDO).

It was signed by Ambassador-at-Large Ho Chong, who led the DPRK delegation, and KEDO's Executive Director Stephen Bosworth, who led the KEDO delegation.

After signing the agreement, the head of the DPRK delegation called a press conference.

He told the reporters:

The provision of LWRs is a key point in the implementation of the DPRK-U.S. agreed framework.

The United States promised the DPRK to take full responsilility for the supply of LWRs in its president's letter of assurance and the DPRK-U.S. agreed framework.

Since the DPRK-U.S. agreed framework was announced, the DPRK has sincerely implemented its obligation of nuclear freeze and made all its possible efforts so that an agreement on the supply of LWRs could be concluded in conformity with the provisions of the DPRK- U.S. agreement.

At the negotiations held so far we have consistently maintained the principled stand that we will not pay even a penny until the completion of LWRs project because the LWR supply and the freeze of graphite-moderated reactors are ensured by the principle of simultaneous action based on each other's verification.

It has been made clear that the KEDO will undertake all things until the completion of LWR project as our dialogue partner accepted this principle at the current negotiation.

Evidently manifested in the agreement on the supply of LWR project concluded this time are the rights of the DPRK, as is specified in the DPRK-U.S. agreed framework, to take over two completely-built light-water reactors each with a generating capacity of 1,000,000 kw in the year 2003 on a turnkey basis and thoroughly verify the safety and quality of the LWRs in the whole course of the implementation of LWR project.

The signing of the supply agreement is no more than a start for the implementation of the DPRK-U.S. agreed framework, he said, and continued:

For the successful supply of LWRs, the principle of simultaneous action should strictly be observed and the LWR project issue no longer be used for an [clearing indistinct passage in initial KCNA version] unreasonable political purpose.

Still now, hostile forces are staging reckless political and military maneuverings against the DPRK in the Korean Peninsula and its surroundings, spreading a false rumour about "threat from North Korea". This is arousing a serious apprehension.

If the United States and the KEDO members really have the willingness to sincerely implement the supply agreement, they should discontinue such maneuverings at once.

Then he answered questions put by reporters.

On the same day, a joint press statement was published in New York as regards the conclusion of the supply agreement.

The statement said that the agreement was concluded in accordance with the October 21, 1994, DPRK-U.S. agreed framework and the June 13, 1995, DPRK-U.S. joint press statement, and it marks an important step towards their full implementation.

Joint Business Deals With Daewoo Questioned

SK1512130595 Pyongyang KCNA in English 0803 GMT 15 Dec 95

["Joint Venture With S. Korean Company Insecure" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA) — Newspapers of Poland and Austria reported that businesses in transaction with South Korea have begun to feel fear for adverse impact to come, synchronizing with revelation of seamy side of the "slush fund scandal".

The Polish paper SZTANDAR MLODYCH December 6 carried an article under the titles "Will Contract between Daewoo and P.S.O. Car Factory Be Firm" and "Will Daewoo Survive", which expressed fear for the possible impact on the joint venture between the Daewoo Group of South Korea and the Warsaw car factory in case the group is brought to trial for the "slush fund scandal".

Saying the production is possibly to go down due to the current money-abusing incident and, accordingly, the Daewoo's "investment tactics" will be shifted, the article expressed concern over insecurity of the joint venture with the South Korean business group.

The Austrian paper DIE PRESSE December 6 said, with the outbreak of the "slush fund scandal", the "contract" concerning the sales of 65 percent of the stocks of the Steier-Daewoo Company of Austria to the Daewoo Group of South Korea is likely to come to a rupture.

DPRK Defector, Swindler Flees to ROK

SK1512121195 Pyongyang KCNA in English 1152 GMT 15 Dec 95

[FBIS Transcribed Text] Pyongyang, December 15 (KCNA) — Choe Se-ung, a department director of the Development and Investment Company of Britain, fled to South Korea from London on December 12 after committing a grave crime by swindling money.

The company is registered as a corporation of Britain. Choe Se- ung is a citizen of the Democratic People's Republic of Korea, who is employed by the company.

He fled with a large sum of money he had swindled from the company and dealers, lured by the Agency for National Security Planning of South Korea.

The South Korean authorities, crazy for money, enticed the criminal to escape to South Korea to obtain the money he had swindled.

They must immediately return the criminal and the money.

Kim Chong-il Leaflets Found in ROK Papers

SK1612034495 Pyongyang KCNA in English 0326 GMT 16 Dec 95

[FBIS Transcribed Text] Pyongyang, December 16 (KCNA) — Leaflets carrying reverence for General Kim Chong-il were found among copies of the CHOSUN ILBO and other newspapers distributed in Tongdaemun District, Seoul, on November 10, the Seoul-based radio Voice of National Salvation quoted the information of the Seoul City Committee of the National Democratic Front of South Korea as saying.

Those who read the leaflets were greatly moved.

Seen on the front cover of the leaflet were the following letters under the headline "Let us follow and uphold general Kim Chong-il":

"It is the greatest fortune and honour for our nation to have its leader in the person of General Kim Chong-il worshipped by all people.

"Only when we follow General Kim Chong-il, a distinguished great man, can we achieve eternal prosperity and happiness of the nation.

"Let us all courageously fight to bring earlier the day when we are freed from sufferings caused by outside forces, fascism and division and are taken to the embrace of General Kim Chong-il, who pursues true politics for the people."

Printed on the back cover were a picture of Pyongyang and a picture of happy children.

Kim Yong-sam Denounced as 'Slave' of Money

SK1612034995 Pyongyang KCNA in English 0339 GMT 16 Dec 95

[FBIS Transcribed Text] Pyongyang, December 16 (KCNA) — The right-wing conservatives including the military fascists of the "Fifth and Sixth Republics" are fighting a dog's fight in South Korea over No Tae-u's slush fund scandal.

The scrambles bring into bolder relief the true colors of the traitor Kim Yong-sam, a slave of power and money.

Some time ago, the opposition parties of South Korea insisted that Kim Yong-sam received political funds amounting to 300 billion won from No Tae-u.

Recently, the dictator of the "Fifth Republic," Chon Tu-hwan, now in Anyang Prison confessed that Kim Yong-sam received 390 million dollars from No Tae-u as "election" campaign fund.

Kim Yong-sam has announced that he received not a penny from No Tae-u. However, it has been brought to light that he received at least 400 billion won of political funds from No Tae-u and business groups.

The South Korean people, seeing that Kim Yong-sam must have received much more money, strongly demand he open to the public how much he received as "presidential election" campaign fund in 1992.

Kim Yong-sam started his political career in 1954 as "National Assemblyman" from the "Liberal Party" of Syngman Rhee. No one knows how much money Kim Yong-sam received from Syngman Rhee.

In the winter of that same year, Kim Yong-sam abruptly deserted the "Liberal Party" and joined the opposition "Democratic Party," lured by money and power. This was a political drama to undermine the pro-democracy forces, as was proved by the ensuing developments.

In 1987, Kim Yong-sam made a secret promise with the military forces to prevent a unified candidate of the opposition parties from running for "presidential" race. Thus, he divided the pro-democracy forces and helped No Tae-u to take office. It is nobody's secret that Kim Yong-sam received 30 billion won from No Tae-u as "reward" at that time.

Kim Yong-sam's perfidy as a slave of power and money culminated in the "merger of three parties" in early 1990.

When No Tae-u lured him with 100 billion won and next-term "presidential candidacy" Kim Yong-sam accepted his offer and joined Kim Chong-pil, a key member of "yusin," and No Tae-u, a descendant of "yusin," saying that "there is no one to overthrow and no need to fight any longer."

As soon as he took office, Kim Yong-sam raked up a colossal amount of money from the former dictator and business groups and became South Korea's number seven billionaire in less than two years.

Kim Yong-sam is now trying to conceal his crimes by making No Tae-u keep silence through a secret promise and "detaining" Chon Tu- hwan. This is, however, a foolish attempt.

Kim Yong-sam must be overthrown as soon as possible for the nation, for the reunification of the country and for the democratization of South Korean society.

Release of Arrested Pomminyon Members Demanded

Reunification Council Chairmen

SK1712092395 Pyongyang KCNA in English 0520 GMT 17 Dec 95

[FBIS Transcribed Text] Pyongyang, December 17 (KCNA) — Pak Sun-kyong, Kim Sang-kun and Yi Chang-pok, permanent chairmen of the National Council for Independent and Peaceful Reunification embracing more than 50 democratic organisations of South Korea demanded that the authorities release hardcore leading members of the South side headquarters of the National Alliance for the Country's Reunification (Pomminyon), according to a report,

The suppression of Pomminyon was motivated by a political intention to shift the burdens of the stirring "slush fund scandal" and the political background on the May 18 incident onto the forces of the national, democratic movement and patch up the intervention of public opinion, they noted.

They called for putting a period to the suppression of non-governmental forces for reunification which are playing an important role in the improvement of inter-Korean relations.

Buddhist 'Measure Committee'

SK1612035095 Pyongyang KCNA in English 0332 GMT 16 Dec 95

[FBIS Transcribed Text] Pyongyang, December 16 (KCNA) — The Buddhist Measure Committee for Release of Reunification Champions in South Korea published a letter on December 8 demanding the release of members of the South Side Headquarters of the National Alliance for the Country's Reunification (Pomminnyon), according to a report.

The letter said that the Kim Yong-sam "government" walked away and detained cadres of Pomminnyon across South Korea on November 29. It denounced the "civilian"-veiled "government" as a group of fascist dictators suppressing the people.

If they do not set free the reunification champions, they will face resistance from the people, it noted.

It demanded that the Kim Yong-sam "government" make a thorough investigation into the December 12 military rebels and the May 18 murderers of Kwangju people and promptly release the reunification champions who have devoted their all to the movement of national reunification.

It also demanded the Kim Yong-sam "government" immediately stop the human rights violations on the part of the "Agency for National Security Planning", the National Police Office and "Security Investigation Corps".

It said: We will denounce Kim Yong-sam as violator of human rights and will launch a campaign for defeating candidates from the "New Korea Party" in all parts of South Korea at the time of "National Assemblymen election" in April 1996 unless the Kim Yong- sam "government" set free the 600 odd prisoners of conscience.

Kim Yong-sam, Gorbachev Took Bribes, 'Corrupt'

SK1612035995 Pyongyang KCNA in English 0350 GMT 16 Dec 95

["Corrupt Elements" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 16 (KCNA) — Political and business circles of South Korea are in a chaos in the wake of the outbreak of the slush fund scandal, and some foreign enterprises that have transactions with them fear that they should earn ill fame subsequently.

Commenting on this, NODONG SINMUN today says:

In South Korea political and business circles are so corrupt that politics and business activities are impossible without bribing others or being bribed. Quite a few business groups are involved in the slush fund scandal, which made its way also into foreign countries.

The news analyst continues:

No Tae-u, a kingpin of irregularities, received bribes to meet illegal demands and bribed others to demand bigger things.

The traitor Kim Yong-sam could seat himself in the "presidential" chair with black money he had received from No Tae-u. Kim Yong-sam is more corrupt than No Tae-u. The Kim Yong-sam puppet group invite foreigners for an extensive bribing operation. They go abroad with prostitutes to bribe foreign politicians and businessmen. Gorbachev, president of a superpower, was also caught in the trap of the South Korean puppets. He exchanged the position of a superpower with dollars. The price of his body was no more than 100,000 dollars.

It is regrettable that the number of such persons as Gorbachev is not small in the world. Some abandon their principle and take to treachery and perfidy, lured by a few dollars.

Those who want to benefit by the South Korean puppets, the ringleaders of bribery, must be thrown out of the human society.

Media Should Dissect Corrupt Political System

SK1612102995 Pyongyang KCNA in English 0844 GMT 16 Dec 95

["Kim Yong-sam Group's Attempt To Conceal Political Background of Slush Fund Under Fire" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 16 (KCNA) — The Propaganda Department of the Central Committee of the National Democratic Front of South Korea published "an article to reporters and pressmen" on December 12 as regards the "slush fund scandal," which is driving South Korea into a big catastrophic crisis, according to radio Voice of National Salvation [VNS] from Seoul.

It is the most sacred mission of the reporters and pressmen today to raise a pen of justice with a view to removing malignant politics of South Korea, a corrupt and ailing colony, and realising a true independent democratic regime, people's politics, the article said.

It noted:

All the reporters and pressmen with justice and conscience should make their pen a scalpel to dissect the corrupt political system and make an article a letter of complaint to judge the kingpins of thieves.

At present the press should be focused on revealing the "presidential election" fund of Kim Yong-sam and his illicit accumulation of wealth.

The article called upon the reporters and pressmen to bring to light the dark seamy side of the "presidential election" fund with scathing articles to make public it before the people, and expose and denounce the crafty attempt of the Kim Yong-sam group to conceal the political background of the slush fund with a weapon of the press more powerful than bayonet.

Buddhists Denounce Human Rights Violations

SK1612104295 Pyongyang KCNA in English 0849 GMT 16 Dec 95

["Stop to Human Rights Violation Called for in South Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 16 (KCNA) — The Buddhist Human Rights Committee of South Korea, co-representative of the Pusan Buddhist Human Rights Committee, the chairman of the Kwangju Buddhist Saam Federation, the chairman of the preparatory committee of the Taegu Buddhist Human Rights Committee, the director of the Priests Human Rights Affairs Institute, the chairman of the preparatory committee of the Taejon Buddhist Human Rights Committee and chiefs of four other organisations made public a statement headlined "Kim Yong-sam 'Regime', Promptly Stop Human Rights Violation" on November 30, according to a report.

The statement denounced the arrest of about fifty persons in one month of November by the Kim Yong-sam "regime" as a human rights violation which could not be seen under the successive "regimes".

The statement said:

The wholesale arrest of cadres of the National Alliance for the Country's Reunification (Pomminnyon) and young people of the National Alliance for Democracy and Reunification (Chonguknyonhap) on the charge of violation of the "National Security Law" is the suppression of the reunification movement. It is aimed at making a propaganda for "state confusion" which they clamoured about whenever the "regime" faces a crisis.

The Kim Yong-sam "government" must release all the arrested cadres of Chonguknyonhap and Pomminnyon and prisoners of conscience, repeal the "National Security Law", refrain from defining the organisations calling for the abrogation of the law and the withdrawal of the U.S. troops as "organisations profiting the enemy" and immediately introduce a special prosecutor system.

ROK Military Activities Near DMZ Reported

SK1712102295 Pyongyang KCNA in English 1015 GMT 17 Dec 95

["South Korean Puppets Fire Shells and Bullets in Forefront Areas" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 17 (KCNA) — The South Korean puppets fired shells and bullets in the forefront areas on December 14 and 15, getting on nerves of the North, according to military sources.

On the 15th, the 105-mm and 155-mm artillery groups of the puppet army deployed in the forefront area in the western and central sectors of the front fired more than 650 shells at the areas adjacent to the Demilitarized Zone, whipping up a war fever.

Hundreds of soldiers of the puppet army deployed in the combat positions on nameless heights and ridges in the areas adjacent to the DMZ of the central and western sectors of the fronts on December 14 and 15 and fired more than 7,500 bullets with 12.7 mm machine guns and automatic rifles under our noses, kicking up a row of northward invasion.

This shows that the Kim Yong-sam group is trying to find a way out of its serious political crisis from confrontation and war.

Kim Yong-sam Received 300 Billion Won From No

SK1812034095 Pyongyang KCNA in English 0326 GMT 18 Dec 95

[FBIS Transcribed Text] Pyongyang, December 18 (KCNA) — Kim Tae-chung, president of the opposition National Congress for New Politics in South Korea, said that Kim Yong-sam received 300 billion won from No Tae-u, according to a radio report from Seoul on December 16.

He warned that if Kim Yong-sam tried to cover his faults and remove his political rivals, he would face the judgement by history as well as condemnation from the people.

Anti-Kim Yong-sam Struggle 'Should' Continue

SK1812035295 Pyongyang KCNA in English 0342 GMT 18 Dec 95

["Struggle Should Be Continued to the Last" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 18 (KCNA) — The anti-Kim Yong-sam, anti-"New Korea Party" [NKP] struggle is growing furious these days with the anger at the Kim Yong-sam traitorous group increasing among people of broad segments in South Korea. The fight should be continued to the last.

NODONG SINMUN stresses this in a signed article today.

The paper says:

Steadfast is the will of the South Korean students and people to bring to trial of history and decisively punish the traitor Kim Yong-sam as well as the traitor No Tae-u, the chieftain of the "slush fund scandal".

However, like a mad dog, the Kim Yong-sam group are making all desperate efforts to save themselves from the catastrophic crisis. So the road of the South Korean people's struggle will not be smooth.

The situation urgently calls upon the people to heighten their vigilance against the Kim Yong-sam group's moves for glossing over the "scandal" and continue the staunch anti-Kim Yong-sam, anti-"NKP" struggle by the united efforts until the matter is settled.

Students and other people in South Korea should turn out as one in the struggle to thoroughly investigate the seamy side of the traitor Kim Yong-sam's "presidential election" fund and remove the group of thieves from power. Only then is it possible to fully probe the truth behind the "slush fund scandal" and punish its ringleader and accomplice, punish all those responsible for the Kwangju massacre and, furthermore, achieve the independent and democratic development of South Korean society and national reunification.

ROK People Urged To Oust Kim Yong-sam

SK1812094095 Pyongyang KCNA in English 0909 GMT 18 Dec 95

["Thief Cannot Be Trusted With 'Government'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 18 (KCNA) — Sin Tae- yol, a free lancer of South Korea, in an article on December 12 said that Kim Yong-sam must make clear before the people the "presidential election" fund he received from No Tae-u and step down from the "presidential" chair, according to Radio Voice of National Salvation [VNS] from Seoul.

In the article headlined "Thief Cannot Be Trusted With 'Government'. An End To Corrupt Politics, Money-backed Politics," he said:

All the successive "presidents" of South Korea were the crowned kingpins of thieves.

It is clear that Yong-sam, who treated murder criminal No Tae-u as a "president" and patronized him, has such a fabulous scandal as to ruin, if No makes it public.

It is a known secret that Kim Yong-sam received a huge political fund from No Tae-u at the time of his opposition party president, the promise not to charge those responsible for the May 18 massacre, the "three party merger" in 1990 and the "presidential election" in 1992 and "transfer of power" and kept in his private safe colossal preferential secret fund he received from business heads after taking office.

The opposition camp says that Kim Yong-sam received a secret fund of 300 billion won from No Tae-u and that the "presidential election" fund exceeds 1,000 billion won.

Kim Yong-sam is branded as a "president" with a vacant head and his politics is a failure mark, but he is a kingpin of thieves more cunning and skilful than his predecessors in filling money into a private safe of "Chongwadae"[presidential offices].

The "regime" cannot be left any longer in trust with Kim Yong-sam who is seeking power and personal luxury and glory of himself and his relatives, indifferent to the destiny of the nation and the life and property of the people.

An end must be put to the corrupt politics of "Chongwadae".

The traitor Kim Yong-sam has asserted that he cannot abolish the "National Security Law", whose abrogation is demanded not only by the South Korean people but also in the United States, because this anti-reunification evil law is a panacea, a lawful foundation which is defending and justifying his power and ill-gotten fortune.

If it were not for endorsement and patronage of the United States, Kim Yong-sam would not have protected Chun Tu-hwan and No Tae-u up to now.

All our people should turn out in the struggle to oust Kim Yong- sam and stop the U.S. interference in the internal affairs, I think.

Students Demand Punishment for Kwangju Massacre

SK1812034995 Pyongyang KCNA in English 0328 GMT 18 Dec 95

[FBIS Transcribed Text] Pyongyang, December 18 (KCNA) — Over 400 students under the Kwangju and South Cholla Provincial Federation of University Student Councils held a demonstration in the city of Kwangju on Saturday [16 December] in demand of the introduction of the special prosecutor system for inflicting punishment on those responsible for the May

18 Kwangju massacre, a radio report from Seoul said on Sunday.

The riot police blocked the demonstration, suppressing the demonstrators and whisking away some of them.

Raged at it, the students took two riot policemen to Chosun University. They were staunchly fighting, declaring that the policemen would be released when the arrested students are set free, the report said.

Meeting Held To Discuss Relations with Japan

SK1812112995 Pyongyang KCNA in English
0921 GMT 18 Dec 95

[FBIS Transcribed Text] Tokyo, December 15 (KNS-KCNA) [date as received] — An emergency meeting thinking of the Japan-DPRK issue was held in Tokyo on December 12 under the sponsorship of the People's Forum for Promoting the Normalisation of Diplomatic Relations Between Japan and the DPRK.

Lectures were given at the meeting.

Military critic Haruo Fujii said in his lecture that the argument about "threat from North Korea" which was made at a time of "redrafting the Japan-U.S. security pact" is aimed at beefing up the U.S. troops stationed in Japan and South Korea and the "Self-Defence Forces" of Japan.

He criticized the "outline of the new defence program" of Japan.

Prof. Narihiko Ito accused Japanese cabinet members of their recent utterances about the past crimes of Japan and said that the "Korea-Japan Annexation Treaty" was invalid and illegal.

There were speeches and answers to questions at the meeting.

It adopted a resolution calling for promoting the normalization of the diplomatic relations between Japan and the DPRK.

The resolution urged the Japanese Government to honestly implement the agreement on resumption of the Japan-DPRK talks and resume the negotiation for normalising the diplomatic relations between Japan and the DPRK at once.

Awards Presented to Writers, Officials of KWU

SK1612034795 Pyongyang KCNA in English
0329 GMT 16 Dec 95

[FBIS Transcribed Text] Pyongyang, December 16 (KCNA) — A ceremony for awarding state commendations to writers and officials of the Korean Writers Union (KWU) was held here on December 15.

At the ceremony the title of Labour Hero of the Democratic People's Republic of Korea was awarded to a writer of the Poetry Literature Sub-Committee of the Central Committee of the KWU O Yong- chae, who has created many poems reflecting well the greatness of the Workers' Party of Korea and the emotion of the Korean people and made great contributions to educating the party members and other working people along revolutionary lines and arousing them to the work to implement the party's policies.

Yim Chae-song, a writer of the Novel Literature Sub-Committee of the KWU Central Committee, was awarded "Kim Il-song Prize", and many other writers and officials orders and medals.

Gifts of the great leader Comrade Kim Chong-il were conveyed to exemplary writers and officials at the ceremony.

A letter of pledge to Comrade Kim Chong-il was adopted there.

Kim Il-song Work on Nonaligned Movement Praised

SK1612104895 Pyongyang KCNA in English
0858 GMT 16 Dec 95

["Immortal Banner Stimulating Strengthening and Development of Nonaligned Movement" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 16 (KCNA) — Today marks the 20th anniversary of the publication of "The Nonaligned Movement Is a Mighty Anti-Revolutionary [as received] Force of Our Times", a work of the great leader President Kim Il-song.

President Kim Il-song published the work in the first issue of the Argentine magazine "Guidebook to the Third World" on December 16, 1975.

President Kim Il-song in the work elucidated the significant feature and main trend of our time and gave a perfect exposition to all theoretical and practical questions arising in strengthening and pushing forward the Nonaligned Movement [NAM], including the characteristics and essence, the basic idea and principle and the position and role of the movement.

NODONG SINMUN in an article specifies the noble idea of the movement, which represents the independent aspiration and demands of the progressive humankind and the main trend of the era of independence as the independence against imperialism and peace against war, noting President Kim Il-song's publication of the work is a precious result of the tireless efforts and outstanding ideological and theoretical activities he had made for the strengthening and development of the movement in his lifetime.

The article says:

The NAM, that has emerged on the stage of history to meet the demand of the era of independence, has made a long way and has expanded and strengthened steadily adhering to its noble idea and principles.

The NAM, which was founded only with 25 member nations, today has expanded and strengthened as a powerful anti-imperialist independent force with more than 110 nations.

What is of importance, at present, in further strengthening and developing the movement is to achieve its unity and cohesion.

It is essential to firmly adhere to the basic principle and idea of the movement, maintain the principle of complete equality, sovereignty, mutual respect and non-intervention in other's internal affairs, strictly keep to the admission standard in increasing its ranks, so as to ensure its purity and unity.

The ideology and theory on carrying on the South-South cooperation on the principle of collective self-reliance hold an important place in President Kim Il-song's ideology and theory on the movement. They indicate a genuine road along which the developing countries including the nonaligned countries can press ahead with the building of new society in close cooperation with each other and attain economic self-sustenance, independent development and prosperity without relying on powers.

The ideology and theory on the NAM put forward by President Kim Il-song will continue, in the future, too, as in the past, to display great vitality along with the history as an immutable truth.

Kim Chong-il Thanks Agricultural Scientists

SK1712100795 Pyongyang KCNA in English 1004 GMT 17 Dec 95

[FBIS Transcribed Text] Pyongyang, December 17 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to the Central Scientific and Technological Information Agency, the Veterinary Institute and the Animal Husbandry Institute of the Academy of Agricultural Science for their active contributions to the scientific and technological development of the country.

The officials, reporters and researchers of the Central Scientific and Technological Information Agency compiled and published many scientific and technological materials which are helpful to scientific researches and the technical revolution and undertook various forms of services by order for the conveniences of scientific and technological institutes and industrial establishments, thus contributing to the scientific and technological development of the country.

The Veterinary Institute developed efficient preventives simple in production method, and the Animal Husbandry Institute made it possible to increase the production of feed by actively introducing the method of zymotechnics and treatment of trough feed by new virus.

Comrade Kim Chong-il thanked the officials of the Overseas Propaganda Bureau for successfully carrying out their revolutionary tasks.

Political Essay Stresses 'Loyalty' to Leader

SK1812101095 Pyongyang KCNA in English 0937 GMT 18 Dec 95

["Right To Live in Our Era" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 18 (KCNA) — NODONG SINMUN today says those who share same destiny with the leader and brilliantly ardorn the life with loyalty and filial piety to the leader, enjoying political life given by him have qualifications for and right to the worthy life in our era.

In a political essay titled "Right To Live in Our Era" the paper notes that the Korean people have been the first in history to open a new era of an independent life and personify the noblest outlook on life as they are holding the great leader President Kim Il-song and the great leader Comrade Kim Chong-il.

The political essay quotes Comrade Kim Chong-il as saying:

"If a man living in the Workers' Party era has no loyalty and filial piety, he is a man who has already lost the right to live in our era."

It further goes on:

Our people who were born and are living in the great Kim Il-song era, the era of great men in which the most distinguished leader was acclaimed in history are a happy people who are enjoying the most beautiful and noble life, taking worship for the great men, loyalty and filial piety to the leader as their first right.

The greatest personality of a man in the era of independence lies, first of all, in making the revolutionary idea of the leader one's own creed. The highest value, the highest personality of a man in our era also lies in having a true idea.

The Korean people are holding the great Comrade Kim Il-song as the leader and becoming faithful soldiers and disciples of respected General Kim Chong-il, so that they have special right and favour in arming themselves with the immortal chuche idea, which the whole world advocates, and applying it.

The bosom of respected General Kim Chong-il is an eternal bosom, a great bosom which makes it possible to live long socially and politically though a man may live a short physical life. That is why our people want to live in the heart of the general, even though they live a moment, and they want to live like a star in the memory of the general, even though they lose their lives.

Ours is the people who feel the value and honor of life in loyalty and filial piety with which they hold their leader, not caring for great wealth and high fame, the people who will lay down their heroic life, shouting long live the great leader, not yielding to the enemy.

We have become the soldiers of General Kim Chong-il for the country and a true life. If any one tries to take the sacred name of the leader's soldiers off us and if a spearhead of attack is directed to the headquarters of revolution, the symbol of all our victories and our destiny, we will brand it as the archest enemy of life to threaten the existence of the nation and cut off our heart and will answer it with decisive battle and all the people will become rifles and bombs to punish the enemy mercilessly.

To defend the leader, this is the supreme right of our era and the most sacred slogan of life which cannot be conceded at least nor be lost a moment.

The faith and will of our people to glorify the life worth of human in following the great leader general Kim Chong-il singleheartedly will never be broken by any raging wind of history and any strong imperialist enemy.

WPK Firmly Adheres to 'Line of Independence'

SK1712112495 Pyongyang KCNA in English 1030 GMT 17 Dec 95

["Wisdom of Leadership of WPK Which Has Thoroughly Established Chuche and Firmly Adhered to Line of Independence" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 17 (KCNA) — The great leader Comrade Kim Chong-il in his famous work "The Workers' Party of Korea Is the Party of the Great Leader Comrade Kim Il-song" stressed that the WPK has established chuche with all consistency and firmly maintained the line of independence in leading the revolution and construction under the wise leadership of Comrade Kim Il-song.

The work comprehensively consummates the historical struggle and wise leadership of the WPK, which has firmly established chuche and strictly adhered to the line of independence, NODONG SINMUN says in an article today.

The article goes on:

The WPK's wisdom of leadership lies in the fact that it has thoroughly applied the revolutionary line of chuche in ideology, independence in politics, self-sufficiency in the economy and self- reliance in defence.

Establishing chuche in ideology is the WPK's consistent principle of activities. Today our society is filled with the chuche idea and all its members think and act as required by the chuche idea.

Along with the establishment of chuche in ideological sphere, the WPK has implemented the line of independence, self-sufficiency and self-reliance in defence to the letter.

The Workers' Party and people of Korea have consolidated rock-solid the political and ideological sphere, the powerful socialist independent economy, and the unconquerable self-reliant military power through implementation of the revolutionary line. This is the sure guarantee for defending the sovereignty of the country and the achievements of the revolution, advancing the revolution and construction victoriously and thoroughly thwarting the aggression and interference of imperialism.

Another expression of the WPK's wisdom of leadership can be found in the fact that it has solved all problems arising in the revolution and construction in our own way.

"Let us live our own way!" This is the revolutionary slogan set forth by the Great Leader Comrade Kim Chong-il, which carries the unshakable faith and will of the WPK.

The WPK has solved all problems arising in the revolution and construction, as dictated by its faith, on its own responsibility and on the principle of self-reliance, to suit the situation of our country and the interests of our revolution.

It has categorically rejected any pressure and interference from outside. And free from established theories and formulas, it has analysed and judged everything solely from the point of view of the interests of the revolution and hewed out the road of the complicated and arduous Korean revolution by its own efforts.

The WPK's wisdom of leadership is also manifested in the fact that it has followed an independent foreign policy.

By following a foreign policy based on the idea of independence, peace and friendship, the Workers' Party and Government of Korea have developed the relations of friendship and cooperation with many countries in the world, consolidated the country's international authority, strengthened international solidarity with our revolution and rendered an active contribution to the cause of global independence.

'Preparations for Next Year's Farming' Noted

SK1612104695 Pyongyang KCNA in English 0851 GMT 16 Dec 95

[FBIS Transcribed Text] Pyongyang, December 16 (KCNA) — Efforts are concentrated on preparations for next year's farming in rural communities of Korea.

According to data available, more than 65 percent of the planned production of manure and arrangement of the cold-bed sites for rice seedlings had been carried out in the countryside as a whole as of December 14.

Paechon, Pongchon, Pyoksong and Samchon counties and other rural communities in South Hwanghae Province have produced more than 75 percent of the planned amount of manure. They are overfulfilling the planned arrangement of the cold-bed sites by 50 percent every day.

Many cooperative farms in North Pyongan Province have produced much more manure than the same period of last year.

The cooperative farms in North Hamgyong and South Pyongan Provinces and Pyongyang and Kaesong municipalities are producing 5,000-7,000 tons of manure on a daily average.

National Computer Program Contest Held

SK1712103095 Pyongyang KCNA in English 0529 GMT 17 Dec 95

[FBIS Transcribed Text] Pyongyang, December 17 (KCNA) — The 6th national program contest was held here from December 11 to 14.

Divided into scientific research and production sectors, it was attended by scientists, technicians, university teachers, [word indistinct] engineers, students of senior middle schools and all other applicants across the country.

Exhibited there we more than 100 programs which are of great significance in the implementation of the revolutionary economic strategy of the Workers' Party of Korea and in the development of computer technology of the country.

The electrocardiogram automatic diagnosis system program made by the Korean Computer Centre and the support program for automation and computerization on ammonia production process of the Namhung Youth Chemical Complex by the Kim Chaek University of Technology and other programs were appraised for their high economic effectiveness.

'Grand Korean Encyclopedia' Vol 1 Published

SK1812094295 Pyongyang KCNA in English 0903 GMT 18 Dec 95

[FBIS Transcribed Text] Pyongyang, December 18 (KCNA) — "Grand Korean encyclopedia" volume 1 was published.

"Encyclopedia" (30 volumes) were compiled and published in Korea 20 years ago.

This was followed by publication, supplement or reprinting of different encyclopedias, departmental dictionaries and collections of sciences.

The great leader Comrade Kim Chong-il said that a new kind of "Grand Korean Encyclopedia" (30 volumes) should be published as a general grand encyclopedia, which is on a higher level, political, ideological, and scientific and technical, than ever before to meet the requirements of the developing realities.

The "Grand Korean Encyclopedia" published by the science and encyclopedia press group contains all materials on the immortal revolutionary history and exploits of the great leader President Kim Il-song and the great leader Comrade Kim Chong-il.

It compiles the successes achieved by the Korean people in the political, economic, scientific, cultural and all other domains of social life under the banner of the three revolutions, ideological, technical and cultural. And it gives a broad knowledge of ideological and theoretical problems on the might and invincibility of the man-centred Korean style socialism and practical experience in this field.

It widely introduces history, culture, nature, geography, customs, legends, famous persons and data of the latest sciences and techniques of Korea and many other countries of the world.

Hydroelectric Power Stations Increase Production

SK1812113195 Pyongyang KCNA in English 0924 GMT 18 Dec 95

[FBIS Transcribed Text] Pyongyang, December 18 (KCNA) — Electricity output is on the increase at power stations of Korea.

According to data available at the Ministry of Electric Power Industry, hydroelectric power stations carried out their annual production quotas at 100.3 percent as of December 12.

The Changjagang and Wiwon Power Stations fulfilled their assignments respectively at 105.8 percent and 116.9 percent.

The United Taedonggang Hydroelectric Power Station topped its production quotas by 71 million kwh.

The United March 17 Hydroelectric Power Station and the Hochongang and Kanggye Youth Power Stations are increasing power output by managing hydraulic structures in a well-knitted way.

Arab Youth Union Supports Korean Reunification

SK1812040695 Pyongyang KCNA in English 0343 GMT 18 Dec 95

[FBIS Transcribed Text] Pyongyang, December 18 (KCNA) — The Fourth Congress of the Arab Youth Union held in Damascus adopted a solidarity resolution favouring the Korean people's cause of national reunification.

"The Fourth Congress of the Arab Youth Union confirms the stand of the Arab youth expressing support and solidarity for the struggle of the people for liberation and independence," the resolution said, and added: "We extend full solidarity to the Korean people in their struggle to prevent the threat from the United States and achieve the reunification of the Korean peninsula on the peaceful and democratic basis.

Malagasy Party Leader Meets With Ambassador

SK1812112495 Pyongyang KCNA in English 0913 GMT 18 Dec 95

[FBIS Transcribed Text] Pyongyang, December 18 (KCNA) — I warmly congratulate once again the great leader Comrade Kim Chong-il upon his election as supreme commander of the Korean People's Army, said Rakotovao Andriantiana, president of the Party of the Congress for Independence of Madagascar, when he met with the DPRK ambassador to his country.

His election as supreme commander of the Korean People's Army according to the unanimous desire and aspirations of the Korean people and the People's Army officers and men was an epochal event which gave great strength and courage to the progressive parties and people of the world aspiring after socialism as well as the Korean people, he noted.

He pointed out that the Korean People's Army founded by the great leader Comrade Kim Il-song has been strengthened and developed into matchless and invincible revolutionary Armed Forces which any imperialist force dare not provoke, under the tested leadership of Comrade Kim Chong-il, the great brilliant commander and outstanding military strategist.

The anthropocentric socialism of Korea will continue to make a long drive and Korea will certainly be reunified as there the unrivaled grit and wise leadership of Comrade Kim Chong-il, an outstanding thinker and theoretician and a great master of military affairs, and the one-match-for-a-hundred Korean People's Army which is firmly prepared politically and ideologically and in military technique, he said, and stressed:

The Party of the Congress for Independence of Madagascar will as ever actively support and defend the socialism of Korea and support and encourage the struggle of the Workers' Party and the people of Korea for national reunification and make every possible effort to develop the friendly and cooperative relations between the two parties.

South Korea

DPRK Delegate to Reactor Talks Interviewed

SK1712054295 Seoul SEOUL SINMUN in Korean 17 Dec 95 p 5

[Interview with Ho Chong, ambassador-at-large for the DPRK Foreign Ministry, by Yi Kon-yong in New York on 15 December]

[FBIS Translated Text] [Yi] How do feel about the signing of the light-water reactor agreement?

[Ho] We think it fortunate the sides have entered the stage of implementing the Geneva agreement, however belatedly. The negotiations were regrettably concluded 14 months after the signing of the Geneva agreement (21 October 1994), even though they should have been concluded in six months. Providing light-water reactors and freezing the DPRK's graphite-moderated reactors is a byproduct of the DPRK-U.S. political solution to the problem on the Korean peninsula. The provision of light-water reactors must not be used to seek unjust political purposes. The sides must make efforts to promote a political and social atmosphere.

[Yi] Does North Korea accept ROK-style light-water reactors?

[Ho] No provision of the agreement mentions the ROK model. The agreement only mentions that light-water reactors manufactured with U.S. design and technology will be supplied.

[Yi] What economic benefits will North Korea receive?

[Ho] We are to dismantle our graphite-moderated reactors, which cost us massive capital to build. This precludes any discussion of economic benefits.

[Yi] What will North Korea do if the agreement is not properly implemented?

[Ho] Because the provision of light-water reactors and the nuclear freeze are linked, we would act accordingly.

[Yi] Will the light-water reactor project help improve North- South relations?

[Ho] If the project goes well, this may well affirmatively affect North-South relations [nambuk kwangyee kunkjongjogin yonghyangul chulsuitta].

LWR Planning Commissioner Interviewed on Accord

SK1612064595 Seoul HANGUK ILBO in Korean 16 Dec 95 p 7

[Interview with Choe Tong-chin, commissioner of the Office of Light-Water Reactor Planning, by reporter Yu Sung-u — date and place not given]

[FBIS Translated Text] [Yu] In what areas did the ROK place emphasis during the light-water reactor [LWR] negotiations?

[Choe] North Korea employed the tactic of holding separate negotiations for each issue, using a separate card in each negotiation. Thus, we adopted a strategy that sought a comprehensive solution by reaching agreement on all issues in a package deal. We insisted all along on the principle of limiting the light-water reactor project only to items absolutely necessary for the nuclear power project and items that are generally provided with such a project.

[Yu] How would you describe North Korea's attitude during the negotiations?

[Choe] North Korea attached significance to the political aspects of the light-water reactor negotiations up until the North Korea-U.S. semi-high-level talks in Kuala Lumpur last June. However, this time North Korea assumed a very businesslike attitude. Still, every time the negotiations encountered an obstacle, North Korea tried to hold direct negotiations with the United States.

[Yu] Would you elaborate on the current agreement?

[Choe] The agreement is significant in that this is an international treaty signed by the Korean Peninsula Energy Development Organization [KEDO] and the North Korean Government. The supplementary agreement stipulates North Korea's duties concerning a solution to the nuclear problem. Therefore, the light- water reactor project itself will be nullified if North Korea fails to allow nuclear inspections and fulfill its other duties.

[Yu] The United States is designated as the main point of contact. Would you comment?

[Choe] It was agreed in Kuala Lumpur in June that the ROK will become the main contractor and the United States the main point of contact. However, in reality direct contacts between North and South Korean project officials will be inevitable. Thus, the current agreement stipulates the need to "take measures to hold efficient contacts."

[Yu] An American corporation will serve as program coordinator. If the program coordinator asks for a change in the design of the nuclear power station, that may damage the characteristics of the ROK-style light-water reactor. Would you comment on such a possibility?

[Choe] KEDO can control the program coordinator by using the contract's terms as a weapon. KEDO plans not to renew the contract with a corporation if it is found inappropriate.

[Yu] Will the ROK share the expenses for the heavy oil to be supplied to North Korea?

[Choe] ROK and U.S. authorities have repeatedly confirmed that the ROK will not share the expenses.

[Yu] Did the ROK make any concessions?

[Choe] We did not make any concessions except for agreeing to provide to North Korea a simulator worth $15 million.

North Vows 'To Convert' Military Airport

SK1712124495 Seoul CHUNGANG ILBO in Korean 17 Dec 95 p 2

[By reporter Pae Myong-pok]

[FBIS Translated Text] With the conclusion of the light-water reactor [LWR] supply agreement, full-scale work to begin the LWR project toward the North is upon us. In such a situation, it is expected that a direct South-North air link, bypassing a detour via the East Sea, will be opened late next year at the earliest.

A high-ranking official of the Korean Peninsula Energy Development Organization's Office for Planning for the LWR Project, who participated in the New York LWR negotiations, said on 16 December: "North Korea promised to convert a military airport near Sinpo, South Hamgyong Province, which is the place intended to be the construction site for the LWR, to allow it to be used as an air base for the LWR projects. Active examination is being made on opening an air route which directly lands at a nearby airport in Sinpo from Seoul in about three hours after successively passing through the flight information regions of Japan-Russia-North Korea."

He also pointed out: "If an air agreement between North Korea and Japan is concluded, there will be no need to pass through Russia's flight information region. Therefore, it will greatly reduce the length of the flight, cutting it to one-and-a-half to two hours. During negotiations for detailed regulations for the application of the supply agreement between the KEDO and North Korea, which will begin in January of next year, discussions will also be held on the opening of a direct air route and on the issue of concluding a North Korea-Japan air agreement."

Conflict With U.S. Over Share of LWR Costs

SK1712123695 Seoul KYONGHYANG SINMUN in Korean 17 Dec 95 p 5

[Article by reporter Yi Tae-kun: "ROK-U.S. Conflict Over the Share of LWR Construction Costs"]

[FBIS Summary] Conflicts are expected between the ROK, the United States, and Japan over the share of light-water reactor [LWR] construction costs. In this regard, the Korean Peninsula Energy Development Organization [KEDO] stated: "'The three countries have not yet discussed the issue. They will decide on it later.'" "However, the government has emphasized 'the ROK's central role' in the LWR project. This presupposes the ROK's burden of at least more than half the cost. The three countries share the realistic view that it is none other than the ROK that can afford to construct LWRs, which cost a huge amount of money, for North Korea. Accordingly, the ROK is expected to be burdened with 60 to 70 percent of the expenses."

"What matters is that the United States is reluctant to taken on part of the expenses." Out of the $22 million fund for KEDO that the U.S. State Department has requested from the Congress, $9 million is for LWR construction, and the amount is "ridiculously small, compared to the total estimated cost of $4.5 billion."

"Moreover, the United States has shown a negative attitude on the provision of 500,000 tonnes of heavy oil, which is supposed to be supplied to North Korea next year." To supply heavy oil to North Korea as it promised, the United States needs $50 million a year. However, approximately $9 million has been allocated for next year's heavy oil supply. To make up for its shortfall, the United States is trying to induce other countries to participate in this, but "none is naturally willing to invest money in the unprofitable project." The government has mentioned that "If the United States refuses to bear even a minimum charge, it will see to it that the scope of U.S. enterprises' participation in the project is reduced." The government "is concerned about possible public criticism if the ROK ends up bearing almost all expenses while the United States does not pay its share." Accordingly, it appears that during negotiations on sharing the expenses, the ROK, the United States, and Japan "Will have no less difficulties than those they have had in the course of supplying LWRs to North Korea."

'Serious Points Still at Issue' in LWR Pact

SK1712131895 Seoul CHOSON ILBO in Korean 17 Dec 95 p 3

[By reporter Kim Yon-kwang]

[FBIS Translated Text] With the release of the full text of the light-water reactor [LWR] supply agreement to the public on 16 December, the calculation of profit and loss in the negotiations is being revealed. When reading through the agreement, serious points still at issue are hidden here and there. First of all, during the negotiations, the government did not make any progress at all regarding the "ROK-type LWR and the ROK's central role." In March, Choe Tong-chin, secretary general of the Korean Peninsula Energy Development Organization's [KEDO] Office of Planning for the LWR Project revealed: "In the supply agreement, it will specify a more developed reactor type than the type stipulated in the agreement on establishing KEDO." The agreement on establishing KEDO stipulates that the Korean standard nuclear plant is to be used.

However, the reactor type stipulated in the LWR supply agreement is "an LWR that has two coolant passageways." This is the same content as that stipulated in the U.S.-DPRK agreement concluded in June in Kuala Lumpur. Even government officials who had participated in the negotiations recognized: "It is a fact that 'ROK-type' reactors are not stipulated anywhere in written form." Regarding the issue of a program coordinator [PC], the U.S. side's request that the KEDO be supported "in the work of supervising the overall LWR work by the PC" was realized. Late last year the U.S. side put forth 10 requests such as, concerning the scale of the PC, that a 50-man doctorate-level technician team be dispatched; that supervising the design be considered the work of the PC; and that the KEDO's spending of funds be supervised. This surprised our side's authorities. What is noteworthy is that at the New York negotiations, it was not North Korea but the United States which clung to fulfilling the article on the PC issue. Attention is being focused on how much diplomatic might the government will manifest surrounding the PC's scale and role during negotiations between the ROK and the United States regarding this matter.

The scope of supplying the LWR is also a problem. Many auxiliary items that were not discussed at a briefing with the press on 13 December by the government were stipulated in the supply agreement. They include the supply of expendable parts for two years; the supply of the first batch of refueled nuclear fuel; and a building for storing slow and medium radioactive waste for 10 years. To hide its original resolution during the negotiation, which has since been broken, that the government "will not provide port facilities and simulators," it even used unfamiliar new words by replacing "the barge pier" with "a materials site," and "a complete mock atomic reactor" with "a mock safety exercise unit." In the Geneva nuclear agreement, it stipulated that the period for carrying out special inspection [tukpyol sachal] regarding the North's nuclear weapons will be "after considerable parts of the nuclear power plant are completed." In this supply agreement, the turbine and generator, which are important parts for the nuclear power plant, were included under the "considerable parts" provision. The three countries of the ROK, the United States, and Japan were of the position that the turbine and generator must be excluded, but since North Korea insisted that this should be included on the grounds that this was part of "a behind-the-scenes agreement in Geneva," the turbine and generator were included. Thus, the time for special inspection has been that much delayed.

Officials of the nuclear power plant pointed out that setting the year 2003 as the completion year for construction of the nuclear power plant and "setting its completion period to be the period when the performance test is completed" are a problem. Considering that if the performance test completion date is the same as the construction completion date for the nuclear power plant, it will be difficult to complete it by the year 2003, the ROK and Japan proposed that the construction completion date for the nuclear power plant be the "completion date of the collide test," which is to be carried out before the performance test. Officials of the nuclear power plant explain that it is an internationally-accepted norm and practice for the main contractor to pay 0.3 percent of the construction expenses every month as a penalty during the six months when it is being delayed.

White House Special Assistant Interviewed

SK1812130295 Seoul CHOSON ILBO in Korean 17 Dec 95 p 6

[Interview with Stanley Roth, special assistant to the U.S. President and senior director for Asian affairs at the White House, by CHOSON ILBO Washington-based correspondent Kim Chang-kyun; place and date not given — first paragraph is CHOSON ILBO introduction]

[FBIS Translated Text] Stanley Roth, special assistant to the President and senior director for Asian affairs at the White House, is the highest-ranking official directly in charge of Korean issues in the Clinton administration. He started in 1979 as an assistant to Steven (Solarz), former chairman of the Subcommittee for Asian- Pacific Affairs at the U.S. Congress who is also well known to Korea. He served as deputy assistant secretary of defense for East Asia and Pacific affairs, and has been involved in the U.S. policy toward Asia since then. Assistant Roth will resign to the White House post effective 1 January next year to assume a position at a civilian research institute. This reporter met with Roth to ask questions about the position of the U.S. Administration toward overall issues of the Korean peninsula.

[Kim] The long-standing negotiations on the provision of light-water reactors [between the Korean Peninsula Energy Development Organization and North Korea] was finally settled in New York. What are the next measures for improving U.S.-DPRK relations?

[Roth] The conclusion of the agreement on the light-water reactor provision does not mean a solution to everything. What is important is to actually implement the promise. Whether U.S.-DPRK relations will further develop or not entirely depends on North Korea. We should watch if North Korea will sincerely implement the agreement based on the principle of trust.

[Kim] When will the liaison office be opened? It seems that the establishment of liaison office is being delayed more than expected.

[Roth] It is true that the establishment of liaison office was a promise made by the United States to the North Korean side in the agreement during the Geneva talks last year. However, we did not indicate the time limit of its establishment, nor did we confirm any further measures for improving relations above the level of liaison office. We believed at first that North Korea would expedite establishing its liaison office. However, it showed a passive attitude, contrary to our expectation. The North Korean side holds the key to opening the liaison office.

[Kim] What do you think is the reason that North Korea is not hastening the opening of liaison office?

[Roth] So far, there have been various views about it. However, no speculation has been truly convincing. The reason North Korea officially put forth is to "postpone the implementation of all agreements, including the opening of liaison office, until the light-water reactor negotiations are settled."

[Kim] What are the conditions for improving U.S.-DPRK relations above the level of liaison office?

[Roth] The most important condition is that genuine dialogue should be realized between North and South Korea. To completely normalize U.S.-DPRK relations, North Korea should solve several matters of U.S. concern. They include the suspension of missile development, abandonment of international terrorist acts, cooperation in confirming the whereabouts of missing U.S. soldiers during the Korean war, and measures for improving human rights in North Korea.

[Kim] When North-South dialogue makes progress, will U.S.-DPRK relations develop, even if other conditions remain unsatisfactory?

[Roth] That is an issue which can possibly be considered. The improvement of relations after opening the liaison office does not mean the establishment of ambassador-level diplomatic relations. There can be many interim stages. We cannot eliminate the possibility that flexibility could be shown in many ways in the event that genuine dialogue is realized between North and South Korea. Needless to say, this is an issue which should be decided after close discussions with the ROK Government. What should be emphasized is that the resumption of North-South dialogue is essential for consolidating durable peace on the Korean peninsula.

[Kim] It has been learned that during the Geneva talks last year, U.S. Government officials reportedly said that "the reactors will eventually come into the hands of the ROK," while persuading the ROK diplomats to provide light-water reactors to North Korea. However, the United States is openly talking about the U.S. policy toward North Korea's "soft landing."

[Roth] I do not know what remarks the relevant U.S. Government officials made at their private gatherings. Even if they made such remarks, we cannot officially confirm them, can we? [laughs] The U.S. strategy toward North Korea is to bring in North Korea as a member of the international community.

It is not desirable for North Korea to suddenly join the international community because the North may be blown up by a shock. In other words, if North Korea is to be compared with an airplane making a landing, it should make a "soft landing," instead of a "hard landing." During this time, it is important to induce North Korea to suspend terrorism and weapons sale, abandon its agitation and propaganda strategy, and change its economic system which has devastated its economy.

[Kim] Do you mean that the United States will adopt an "engagement" policy toward North Korea as it did toward China?

[Roth] I do not think it is appropriate to describe the U.S. policy toward North Korea as engagement. The engagement policy, as a precondition, assumes further developed relations between two countries, such as relations capable of holding summit talks. This being the case, relations between the United States and North Korea have not matured to this extent. Furthermore, the United States is not willing to accept such relations with North Korea at present. However, it is important to have many dialogues so that the United States and North Korea can build basic trust.

[Kim] The United States has maintained the position that unless a peace agreement is signed between the relevant authorities of the North and the South, the armistice system should remain in force. However, the armistice system on the Korean peninsula has become completely powerless due to North Korea. If North Korea persistently demands the building of a peace system to the United States, how will the United States react to this?

[Roth] The fact that the peace agreement on the Korean peninsula should be led by the relevant authorities of the North and the South is not a simple slogan, but the reality. Even if the peace agreement is concluded between the United States and North Korea, the United States has no power to practically maintain it. A system without the ROK's agreement is of no significance.

[Kim] Is there any possibility of holding talks between DPRK, ROK, and the United States and multilateral talks among North and South Korea, the United States, China and the like, to conclude the peace agreement?

[Roth] The United States will positively review the plans for a three-party talk, four-party talk, six-party talk or eight-party talk, as long as they are agreed upon and accepted by the relevant authorities of the North and the South. However, the core agreement in concluding the peace agreement should be made between the relevant authorities of the North and the South. Only by so doing can a durable peace be maintained on the Korean peninsula.

The roles of the United States and other surrounding countries will be limited to internationally guaranteeing the agreement. I would like to stress again that the peace system without agreement between the relevant authorities of the North and the South is merely an empty concept which can never be formulated nor maintained.

'Operation Plan for Defense and Air Supremacy'

SK1712121095 Seoul CHOSON ILBO in Korean 17 Dec 95 p 1

[Report by Yu Yong-won]

[FBIS Translated Text] The ROK Air Force convened a meeting of major commanders on the morning of 16 December at Kyeryongdae, South Chungchong Province. Cho Hong-nae, Air Force chief of staff, and various other major commanders attended the meeting. The meeting heard a report on the three-stage "Operation Plan for Defense and Air Supremacy," which the Air Force recently mapped out to annihilate any North Korean surprise attack at the initial stage.

The main points of the new operation plan for defense and air supremacy are: If North Korea launches a surprise attack, the ROK will readily attack North Korea's rear areas, as well as its frontline areas, even with U.S. Stealth fighter-bombers, and destroy North Korea's major facilities.

Therefore, this operation plan is believed to have something to do with ROK-U.S. responses to the recent North Korean military movements.

'Mounting Threat' From North, Response Discussed

SK1712055795 Seoul YONHAP in English 0938 GMT 16 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 16 (YONHAP) — About 20 more North Korean war planes were deployed in three forward bases so far this month to bring to 115 the total of the North Korean Air Force planes in areas close to the Demilitarized Zone, the Joint Chiefs of Staff reported Saturday.

It also said that the People's Army Eighth Special Corps has undergone extensive training with 240 low-altitute infiltration AN-2 airplanes in the area of North Hamgyong Province whose terrain conditions are similar to those of the mountainous area of the south.

The eighth special corps comprising 105,000 troops is stationed in Hwanghae Province adjacent to the DMZ, ready to infiltrate deep into the South in emergency, a Joint Chiefs of Staff officer said.

To cope with the mounting threat from the North, the officer said, the Joint Chiefs of Staff plans, in close cooperation with the U.S. Forces Korea, to expand reconnaissance through U-2 planes, radar and other facilities, stage a field training in next March with the participation of two corps, and conduct counter-terrorism training through exchanges with Russia's counter-terrorist Alpha unit.

The South Korean Air Force held a major commanders meeting at its Kyeryongdae Headquarters Saturday and decided to step up various air vigilance operations, the officer said.

Stability, Vigilance Against DPRK Moves Urged

SK1612144095 Seoul CHUNGANG ILBO in Korean 16 Dec 95 p 3

[Editorial: "Let Us Take Precautions Against North Korea's Military Moves"]

[FBIS Translated Text] There is an increasing number of voices expressing worries about recent military moves by North Korea. Some people even say: "The situation appears as though a war may take place." Because a military threat from North Korea has always existed, we do not have to be afraid of this as long as we make thorough preparations for a possible threat from North Korea, as usual. However, the current internal situation of North Korea and circumstances surrounding it cause us to more attentively watch North Korea's moves.

According to a report on North Korea's military moves that was presented by the Agency for National Security Planning [NSP] to the National Assembly on 15 December, since North Korea deployed fighters around the truce line in October, our side has come to have only a five- or six-minute warning period in case of a provocation by North Korea. It has also been learned that North Korea is conducting more intensified military training than usual; the amount of oil supplied to military units in November was nearly three times more than usual. North Korea has annually conducted wintertime military training. However, this year's training is being conducted under quite unusual circumstances. Accordingly, we should naturally have particular interest in it and a somewhat different attitude in coping with it.

Observers generally view the current transitional period of power succession and the unprecedented economic crisis that North Korea is undergoing as being motivations for these military moves. That is, North Korea is creating military tensions to gloss over internal problems, as well as to keep its system.

Separate from this analysis, in the report to the National Assembly, the NSP generally determines that this winter and coming spring will be an important period for coping with the crisis on the Korean Peninsula. That is, North Korea may believe the current atmosphere of South Korean society is favorable to its revolutionary strategy. Viewing that the political chaos will last long in South Korea, North Korea may agitate demonstrations by the forces that criticize the government to encourage social confusion. In this case, the potential danger of armed provocation would emerge. In conclusion, only by controlling ourselves and making precautions against North Korea can we prevent the danger.

People 'Suspicious' About Reports on DPRK

SK1612054695 Seoul HANGYORE SINMUN in Korean 16 Dec 95 p 6

[Report by Yi Sang-ki]

[FBIS Translated Text] In a report to the National Assembly Intelligence Committee on 15 December, the Agency for National Security Planning [NSP] revealed: "Facing a crisis caused by economic bankruptcy, North Korea is maintaining a strange system by which it only strengthens its preparations for war. The current situation is assessed as dangerous, since a southward provocation could be touched off at any time according to the will of Kim Chong- il and his military leaders."

This NSP report confirms the "abnormal moves of the North Korean armed forces" as recently reported by foreign news media in Japan and the United States.

It was learned that this analysis of the North Korean situation was conveyed to the ROK from a U.S. intelligence organization in mid-November, when President Kim Yong-sam attended the summit talks of the Asia-Pacific Economic Council [APEC]. The relevant government officials stated that the meeting between President Kim and U.S. Vice President Al Gore, in which they discussed mutual security and the recent first ROK-U.S. high-level strategic meeting in Washington, were all held following the serious North Korean situation.

Although ROK Government officials admit the seriousness of the recent North Korean situation, they do not, however, think this situation will immediately lead to military action because North Korea's internal situation is not stable enough as to trigger a war.

Nevertheless, the report about the abnormal situation in North Korea is rapidly spreading within the ROK. Some people are suspicious, however, about certain intentions hidden behind the scenes. In particular, at a time when ROK-U.S. relations are at their worst since the Kim Yong-sam government came to office, the fact that the source of the current "crisis theory on the Korean peninsula" is the United States is attracting attention.

When the North Korean nuclear issue was deadlocked last June, the United States pushed the situation on the Korean peninsula to a dangerous stage. People suspect that by creating a crisis again, the United States is trying to make the ROK resolve the deadlocked North-South relations through dialogue. Through the ROK's influence, the United States is also attempting to settle pending stagnant issues between North Korea and the United States, including the establishment of a liaison office.

Political circles believe North Korea's abnormal movements would serve as a good occasion for embracing conservative forces seeking stability, which has been wavering since former Presidents Chon and No were imprisoned. Thus, regardless of whether such movements are true, arguments about the North Korean situation will be raised frequently until the parliamentary elections are held next year.

'Diplomatic Source' Views Speculation on North

OW1612144195 Tokyo YOMIURI SHIMBUN in Japanese 16 Dec 95 Morning Edition p 5

[By Ichiro Ue]

[FBIS Translated Text] Seoul, 15 Dec — Recently, speculation about the mounting military tension over military moves by the DPRK Army has been repeatedly reported in the United States, Japan, and the ROK.

The speculation, which appears to be based on information by the U.S. Forces' reconnaissance satellite and other information, asserts: 1) more than 420 DPRK planes, including fighters, bombers, and transportation aircraft, conducted large-scale exercises in late October; 2) 95 of the planes are still deployed at three bases near the demilitarized zone; and 3) the DPRK Army introduced 240-mm rocket launchers and 170-mm self-propelled guns this year.

On 15 December at a parliamentary session, Kwon Yong-hae, ROK National Security Planning Agency director, made a briefing to the same effect, expressing concern that these moves "are potentially dangerous indications of the DPRK's possible use of armed force." Even the rumor that the country "is preparing to invade the ROK" has begun to take on a life of its own. However, informed military sources in Seoul share the following view: "The DPRK Army's policy of emphasizing its frontline deployments is the same as ever. There is no sign of an invasion of the ROK. This means that precautions, as usual, are needed."

With regard to the circumstances behind the speculation, a diplomatic source said: "There are probably different intentions by the three countries — while the ROK has been forced to emphasize the DPRK threat because of the tense political situation at home, Japan and the United States want to display the significance of Japan-U.S. security arrangements."

Relationship Between Kim Chong-il, Events Viewed

SK1712052295 Seoul SEOUL SINMUN in Korean 17 Dec 95 p 5

[Article by reporter Ku Pon-yong: "Is Kim Chong-il Sidelined by the Military?"]

[FBIS Translated Text] It has been learned that a few critical moments existed before the Korean Peninsula Energy Development Organization [KEDO] and North Korea signed a light-water reactors agreement on 15 December. In particular, the negotiations reached a crisis when the North Korean delegates stood up to walk out in late November.

What is noteworthy is that the North Korean delegates mentioned the military at every critical moment. An official of the Office of Light-Water Reactor Planning said on 16 December that the North Korean delegates asked the KEDO delegates to make concessions, saying: "Give us an excuse that we can use when persuading the military."

Maybe because of this, KEDO made significant concessions, even though it had rejected the supply of subsidiary facilities that are not generally supplied in an ordinary power project. For example, KEDO promised to build quays and other facilities, even inventing the awkward term "material base for barges."

Various instances prove that North Korea's foreign policy is swayed by the military. For example, as a result of the North Korean military veto, North Korea failed to send back the Usong crew, which Chon Kum-chol, the head of the North Korean delegation, promised during the Beijing rice talks; temporarily detained the crew of the Samson Venus; and refused to allow the United States to use Panmunjom to transport diplomatic pouches for the U.S. liaison office which will soon open in Pyongyang.

This is why one questions whether Kim Chong-il properly controls the military. It is reported that ROK Government officials and Japanese intelligence officers seriously discussed this matter.

On this occasion, some Japanese experts reportedly assumed "Kim Chong-il is powerless and is being piggy-backed by the military." They even introduced intelligence that the first-generation revolutionaries supported Choe Kwang as the new minister of the People's Armed Forces to the exclusion of Kim Chong-il's close confidants in order to keep Kim Chong-il in check because he is suspected of having no qualification as leader due to his epileptic symptoms.

ROK Government officials reportedly rejected this assumption. They felt that Choe Kwang's wife, Kim Ok-sun, was close to Kim Chong-il's mother, Kim Chong-suk, and thus Choe and Kim Chong-il trust each other very much. They added that the North Korean military pledged allegiance to Kim Chong-il on many occasions. This and many other instances prove the North Korean military is under the control of Kim Chong-il, chairman the National Defense Commission and its supreme commander.

Thus, at the moment the majority opinion is that the North Korean military's influence has grown strong according to Kim Chong-il's will to prevent internal disturbances which may be caused by grain shortages and other economic difficulties.

Still, if Kim Chong-il tries for too long to escape from this crisis by relying on the military, things will develop in a different manner. No one denies this would inevitably weaken his authority and lead the military to rise to the fore.

Relations Established With Bosnia-Herzegovina

SK1612000795 Seoul YONHAP in English 0001 GMT 16 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 16 (YONHAP) — South Korea has established ambassadorial-level diplomatic relations with Bosnia-Herzegovina, the Foreign Ministry announced Saturday.

Ambassador Pak Su-kil to the United Nations and his counterpart from Bosnia-Herzegovina, Ivan Z. Misic [spelling of name as received], signed a joint statement on bilateral relations of their countries in New York Friday [15 December], the ministry noted.

The two countries will be able to expand mutual exchanges and cooperation in all fields on the basis of the normalized bilateral tie, the ministry said.

Bosnia-Herzegovina has became the 181st nation having diplomatic ties with Seoul.

'Insignificance' of Constitutional Court's Verdict

SK1612141295 Seoul CHOSON ILBO in Korean 16 Dec 95 p 3

[Editorial: "Insignificance of the Constitutional Court's 'Verdict'"]

[FBIS Translated Text] The final judgment by the Constitutional Court on the constitutionality of the petition on the 15 May incident at first seems to be a natural consequence of legal principles, but at the same time, to the people this judgment seems much ado about nothing. What cannot be understood is why such rash steps were taken to make a "verdict" on a conclusion which the people already acknowledge. We cannot erase the impression that it may be a "live show" to highlight the minority's opinion.

The incident of canceling the constitutional petition on the decision by the prosecution that "there is no right of arraignment" regarding the 18 May incident experienced all kinds of vicissitudes and twists and turns, and sometimes there were deploring experiences in which the authority and dignity of the supreme organization interpreting the Constitution was seriously threatened and downgraded.

The supreme and final place for judgment in the constitutional order is becoming a political football of political vested interests and party interests and tactics. It is our opinion that it is not desirable to reduce to meaninglessness in a single day a judgment by the Constitutional Court, which has a momentous and important role in maintaining constitutional order, no matter what the vested political interest in doing so may be. From this viewpoint, we believe that the claim that important parts must be interpreted constitutionally and by the authority of the Constitutional Court, is appropriate.

Another aspect to which we are turning attention is the fact that the decision for its termination is a result of automatic extinction followed by the withdrawal of the petition, and that it is a proclamation of views made by the minority of the Constitutional Court. Of course, through this decision and the proclamation of views opposing it, we can read traces of hard work carried out by the Constitutional Court. However, in allowing the announcement on the views of the minority of the Constitutional Court, this claim does not just end in opposing the termination of the petition of the constitutional judgment, but also enumerates its reasons in detail. Thus, this makes us guess the significance of the "verdict of termination."

Ultimately, the Constitutional Court is responsible for not having effectively defended political functions from external forces trying to challenge its authority and use it. The whole society, and in particular the political circles, must stand in the forefront and protect the faith and authority of the Constitutional Court, but the Constitutional Court itself must also manifest a strong will and faith to defend it. From this viewpoint, the crisis of the judgment of petition brought about great disappointment to the people. However, if this crisis results in an opportunity to readjust the status of the Constitutional Court, it may rather be a misfortune turning into a blessing.

NCNP Increases Struggle for Special Prosecutor

SK1612030095 Seoul YONHAP in English 0255 GMT 16 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 16 (YONHAP) — The main opposition National Congress for New Politics (NCNP) decided Saturday to intensify its campaign to get a special prosecutor system stipulated in the projected May 18 Special Law.

At its Emergency Measures Committee meeting Monday morning presided over by Rep. Kim Sang-hyon, chairman of the Guidance Committee, the NCNP decided to adopt Monday a resolution calling for the appointment of a politically-neutral prosecutor for the probe into the Kwangju massacre in May 1980 in conjunction with civic organizations.

Civic organizations to attend a joint gathering at the National Assembly Monday include the Citizens' Coalition for Economic Justice, Lawyers' Club for Democracy, Professors' Council for Democracy and May 18 incident-related organizations.

Additionally, NCNP district chapters throughout the country will put up placards calling for the introduction of a special prosecutor system.

"In order for the nation to rectify its history in a genuine sense, a special prosecutor system should be adopted without fail," said a statement adopted at the meeting, "the Kim Yong-sam regime and the Democratic Party should accommodate the system from a broader viewpoint."

Alleging that President Kim received more than 300 billion won [US$400 million] in slush funds from his predecessor No Tae-u for Kim's successful presidential bid in 1992, the statement argued, "Since the incumbent prosecution is incapable of unearthing the presidential election campaign funds, a special prosecutor system should be introduced to inquire into the campaign expenses."

"If President Kim professes to heading a clean government, he should cleanse himself first and rectify his own past," the statement added.

Prosecution Summons Former Prime Minister Sin

SK1612012395 Seoul YONHAP in English 0109 GMT 16 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 16 (YONHAP) — Former Prime Minister Sin Hyon-hwak proceeded to the prosecution Saturday morning to answer questions related to the Dec. 12 and May 18 incidents.

Sin was present when ex-President Choe Kyu-ha approved ex post facto the arrest of then Army Chief of Staff and Martial Law Commander Gen. Chong Sung-hwa at his official residence on Dec. 13, 1979.

Prosecutors seek to obtain from Sin testimonies that may help determine whether the military junta, led by then Defense Security Commander Maj. Gen. Chon Tu-hwan, used force in obtaining Choe's permission to arrest Chong.

In view of the fact that Sin was opposed to the nationwide extension of martial law by the military junta on May 17, 1980, and its plan to form a Special Committee for National Security Measures, the prosecution intends to focus its inquiry into the former premier on details of how those steps were taken.

The prosecution is to inquire into the circumstances under which former President Choe appointed Chon acting director of the Central Intelligence Agency in March 1980 despite opposition from Sin and most of his cabinet members.

Sin abruptly resigned as prime minister late in May 1980.

Ex-President Choe Refuses To Provide Testimony

*SK1612100395 Seoul YONHAP in English
0931 GMT 16 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 16 (YONHAP) — Prosecution investigators Saturday afternoon called on former President Choe Kyu-ha at his Seoul home in a second effort to obtain his testimony on the Dec. 12 and Aug. 18 incidents, but Choe refused to open his tight-closed mouth as before.

Upon empty-handed return by two investigators, Choe's lawyer Yi Ki-chang read his client's "remarks to the people," in which Choe said he is not speaking up because any probe into what he had done during his presidency would set a bad precedent for future presidents and is apt to be used for partisan interests later.

Meanwhile, the prosecution is known to be tracing the flow of Choe's bank account money by seizing bank materials related to two bank accounts opened under the name of Choe's wife, Mrs. Hong Ki [name as received].

Prosecutor Kim song-ho of the Seoul District Prosecutor's Office said, "I cannot say whether we are tracing the flow of Choe's money," thus implying that the ex-president's bank accounts are being investigated.

Trial Begins for Former President No Tae-u

*SK1812012995 Seoul YONHAP in English
0122 GMT 18 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 18 (YONHAP) — The first trial of former president No Tae-u, who is charged with receiving a huge amount of bribes while in office, began Monday morning at the Seoul District Court.

No is the first former head of state here ever to stand trial.

Also standing trial in the same court were 14 businessmen and former public officials charged with bribing No or being involved in the raising of No's slush funds.

Chief Judge Kim Yong-il of the district court chaired the day's trial of the graft scandal, in which No has been indicted for receiving 283.8 billion won [US$378 million] from major business tycoons, including Samsung Group Chairman Yi Kon-hui.

Other defendants were former Presidential Security Force chief Yi Hyon-u, incumbent ruling party lawmaker Kum Chin-ho, former legislator Yi Won-cho, former Presidential Economy Secretary Kim Chong-in, former accounting chief of Presidential Security Force team Yi Tae-chin, Daewoo Business Group Chairman Kim U-chung, Hanbo Group Chairman Chong Tae-su, Tong-ah Group Chairman Choe Won-sok, Jinro Group Chairman Chang Chin-ho, Daelim Group Chairman Yi Chun-yong, Dongbu Chairman Kim Chun-ki, Daeho Construction Company President Yi Kon, and Daewoo Corporation Chairman Yi Kyong-hun.

Spokesman: Cabinet Reorganization 'Unavoidable'

*SK1612020995 Seoul YONHAP in English
0203 GMT 16 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 16 (YONHAP) — President Kim Yong-sam said that it is unavoidable to reshuffle his secretaries as well as his cabinet in the wake of his appointment of Yi Su-song as the new prime minister Friday, Chongwadae [presidential offices] Spokesman Yun Yo-chun said Saturday.

The head of state made such remarks at a meeting he presided over in Saturday morning, with all chief presidential secretaries attending.

Dailies React to Appointment of Yi Su-song

SK1612100795

[FBIS Editorial Report] The following is a compilation of editorials published by ROK vernacular newspapers on 16 December, commenting on the appointment of

Seoul National University President Yi Su-song as prime minister-designate and the upcoming cabinet reshuffle.

CHOSON ILBO carries on page 3 an 800-word editorial titled "Tasks of 'Prime Minister Yi Su-song.'" The editorial first says President Kim Yong-sam decided to make a cabinet reshuffle earlier than expected in an effort to prepare for next year's parliamentary elections by liquidating the legacies of the past and renewing popular sentiment.

It then says: "Prime Minister-Designate Yi Su-song must first ponder what he should do and how. What is important is the fact that in our society there is too much legislation where no legislation is necessary, and there is none where legislation is necessary. We hope the prime minister-designate will change this and become an initiator of genuine administrative reforms to prepare for the 21st century."

Seoul TONG-A ILBO in Korean carries on page 3 an 800-word editorial titled "Liquidation of the Legacies of the Past and the Designation of a New Prime Minister." The editorial first says: "We understand that by designating a new prime minister, President Kim Yong-sam expressed his will to liquidate the legacies of the past and continue his reforms."

The editorial then says that tasks which Yi Su-song must carry out are diverse and complicated. For example, he must recommended fresh people for the new cabinet, and clearly conclude the liquidation of the past. The editorial goes on to say: "Another important task is to hold the 15th parliamentary elections fairly. He must also revive the national economy and help remove difficulties in the people's livelihood."

Seoul CHUNGANG ILBO in Korean carries on page 4 an 800-word editorial on "What the Yi Su-song Cabinet Should Do." The editorial says that Kim Yong-sam's designation of a 56-year-old prime minister indicates the possibility that the president will make a generational change in the upcoming cabinet reshuffle. The editorial then says: "The prime minister-designate must pool the wisdom of the cabinet to be formed, have close consultations with the president, and hasten the satisfactory liquidation of the past."

Seoul HANGUK ILBO in Korean carries on page 3 a 1,000-word editorial titled "Designation of Yi Su-song as Prime Minister." After calling for appointing new people to the cabinet, the editorial says: "The president must find people who have no problems in the area of morality and ethics to ensure that a cabinet reshuffle is not immediately followed by another."

Seoul KYONGHYANG SINMUN in Korean carries on page 3 a 1,000-word editorial titled "We Expect Much From a New Cabinet." The editorial says the appointment of Yi Su-song as prime minister-designate indicates Kim Yong-sam's plan to make a comprehensive cabinet reshuffle and appoint many new people to cabinet posts, saying: "New cabinet ministers must say no when they should. Anyone who tends to try to read the president's mind or work with an easygoing attitude must be excluded from the new cabinet."

Seoul SEOUL SINMUN in Korean carries on page 3 a 1,000-word editorial titled "What We Expect From Prime Minister Yi Su-song."

The editorial says: "We wholeheartedly welcome the appointment of Yi Su-song as prime minister-designate and expect that he will create a new wind of reform in all areas of state affairs." It goes on to say: "Prime Minister Yi must select news tasks for reforms for the remainder of President Kim Yong-sam's term of office and continue the ongoing reforms. We believe Prime Minister Yi will seek reforms based on genuine harmony."

Burma

Foreign Minister Views ASEAN, Thailand Ties

BK1812085795 Bangkok THE NATION in English 18 Dec 95 p A5

["Excerpts" of interview with Burmese Foreign Affairs Minister U Ohn Gyaw by THE NATION correspondent Yindi Loetcharoenchok; place and date not given]

[FBIS Transcribed Text] Opening statement

[Ohn Gyaw] 1967, when the Bangkok Declaration [on the establishment of ASEAN] was made on the 8 of August, then Myanmar [Burma] was invited particularly by Adam Malik, then foreign minister of Indonesia to participate. He took pains to visit Myanmar and explained the vision of the founders of the ASEAN at one stage, that Southeast Asian nations will be emerging a very sound and very solid economic potential .

That was the vision of the founders of ASEAN. At that particular time, there was a Vietnam War and there was SEATO [Southeast Asian Treaty Organization] and a few countries in this region were committed militarily or under a defence pact, with the so-called entangling in the Cold War.

From the very beginning Myanmar, as an independent country, we fashioned our foreign policy to be at first neutral and then later on independent, and then of course independent and active foreign policy.

In the same time, since the Bandung Conference took place in May 1955, we were also committed there that we would practice the five principles of peaceful coexistence. We were very much convinced that soon after we came out of the colonial yoke and the World War 11, we were very much convinced that at one stage Southeast Asian nations will be emerging as what we see at the present day.

Since 1988 we have changed our political system and our economic system. Now we are introducing a more refined social system. In that initiative, we can claim that we are heading in the right direction and with the support of the people, that we are making headway in our economic development, in our political institutions as well as the efforts in the social fields.

Last year we exported over one million ton of rice and nearly three quarters of a million tons of beans and pulp. And we have minerals and we have off-shore oil exploration and we are getting enough commercial amount of gas which will be exported to Thailand and elsewhere.

We are now able to uplift the living standard of the people. We are looking after the people living in the border area. At one time they were under the insurgency, now they have a meaningful way of life to look for the future.

That is the reason why from the very beginning, we had impetus of initiative. We happened to be leader in the Nonaligned Movement and we took part very committee of the United Nations has no more work on decolonization. So these are the efforts that Myanmar has been making at the front line.

Now we are hopeful, we are confident, and we are convinced that by putting more degree of association with ASEAN, then of course we will be contributing our potential to the prosperity of the region.

On Burma and ASEAN

[THE NATION] Does your country expect to integrate into the Association of Southeast Asian Nations? If yes, when?

[Ohn Gyaw] In as much as we are prepared, we have to take into consideration whether or how ASEAN is prepared, meaning that as soon as we are sure of our political and economic progress.

Of course, with the bilateral good relations between Myanmar and Thailand, I was invited as the guest of the host [Thai] government the year before last and last year in Brunei.

Taking the opportunity now that we have changed our political and economic system, we have indicated the accession to the Treaty of Amity and Cooperation (TAC). I handed over the letter of accession to His Royal Prince Mohamad Bolkiah in Brunei in the last ASEAN Ministerial Meeting and of course with this we expect to become, we aspire to become an observer in ASEAN.

In the ASEAN procedure, there are certain things that we have to take into a consideration. So it will in accordance with the ASEAN procedure. In the meantime, what we could do, what we are supposed to do, what we are obligated to do internally in our domestic economic and social policy then we will be doing our best.

[THE NATION] What are those obligations that you have to do to obtain an observer status?

[Ohn Gyaw] One country cannot obtain an observer status overnight. By looking at what has been arranged with Vietnam, Laos and Cambodia, acceding to the TAC is not enough. ASEAN has over 20 years of experience: It is not only the achievement, but there are certain visions, certain arrangements and certain preparations, not for one country but for the whole region. In order to catch up what has been done for 20 over years by the individual Southeast Asian nation and of course the ASEAN as a whole, there are many things, the ASEAN Regional Forum, ASEAN Free Trade Area [AFTA], and many thing connected with the Asia Pacific Economic Forum. These are the things that we have to take our time. Even though we would like to be planting ourselves into the ASEAN fold overnight, it would be counter-productive both to the ASEAN as well as to Myanmar.

[THE NATION] ASEAN members are hopeful that the three other Southeast Asian countries could join the Association before the year 2000? What is your comment?

[Ohn Gyaw] In accordance with ASEAN procedure, if ASEAN is prepared, of course, we will be more than happy. We would not like to intrude to demand. We would like to be in accordance with the process and principle.

[THE NATION] There are certain obligations such as AFTA or APEC [Asia-Pacific Economic Cooperation] that your country will have to adopt, do you expect your country to join in the AFTA process?

[Ohn Gyaw] The process is like a river going and we are like the passengers, because there is a set code going on. They cannot wait for us. We have to catch up. Mow far we can catch up depends on our efforts domestically.

For example we have to liberalize our laws, we have to make some arrangements for the expansion of our trade, and there are many things, many considerations. You have seen from yesterday [Friday], there were many agreements, many documents signed. There are now having more concrete efforts going on in many directions—that we have to catch up. We need training. We need to be sure ourselves that we can contribute. If you look at our country, we have 45 million people, 260,000 square miles of area, and then we have potential, we have man power, we have natural resources. When we come in we would not be a sleeping partner. We would like to be very active. We would like to contribute our potential. But without experience and without a real foundation, one cannot do it.

[THE NATION] What is the most appealing aspect of ASEAN for your country?

[Ohn Gyaw] Today everybody is thinking about peace. Peace does not mean no war. When there is no war but people are hungry, then there is no peace. If there is no war but if there are some commotion; some troubles in an individual country, then the region cannot develop. Right now we are on the right track. We are now concentrating more on the economic development of our country, and so, complementary, do the other countries in the region. This is the aspiration. We feel that we are a Southeast nation and we would like to aspire to the prosperity of Southeast Asian nations. ASEAN is now very much solid in a leading role, and of course we would like to be part of it. If the 10 Southeast Asian countries can be, as quick as possible, a member of ASEAN, then it is of course a solid proof that we have a shared destiny, mutual confidence and mutual efforts for the prosperity.

[THE NATION] From the outcome of the ASEAN summit, it seems that ASEAN is moving on to another level, trying to incorporate ASEAN and the Mekong subregion. What is your opinion?

[Ohn Gyaw] Now that economics is no longer the economics of 25 years ago. One cannot go into one direction because development has many facets. If you want to develop your own industry and your own internal economy, then at one stage there will be competition among the countries. If there is competition, if they are contradictory and if they are not complementary, then it is very dangerous. That is the reason for the Mekong project, because people begin to think of, the resources as well as making use of natural things. That is a good sign. If one can make use of nature to the advantage of human beings, then of course it is good. We are very much interested and keen to learn and participate in it.

Of course, we look forward to have an observer status in the next ASEAN Ministerial Meeting in Indonesia.

On Thai-Burmese relations

[THE NATION] There are rumours that Burma is demanding a huge compensation from Thailand for the killing of the Burmese fishermen in August?

[Ohn Gyaw] We have a very good bilateral relations with Thailand, and the meeting between the leaders was very cordial. When the problem came up, of course, you have to follow who originated it. It's not the government, not the two governments. It is the company and local people. This can be resolved at the local level.

What ever happened happened. There is a natural tendency that those poor people when their husbands die they are helpless, so the idea and the indication is that if there is some arrangement, financially to those people, then the matter can be resolved. This is the word that the local people think. But in the name of the government we never said that "Look, Thailand, you, must pay compensation." No. It is not our policy. In the meeting of the two leaders yesterday, it was resolved the problem can be resolved in a very cooperative and meaningful way.

[THE NATION] So is it just a rumour that there is a demand for financial compensation?

[Ohn Gyaw] It is not a rumour. it is a certain obligation of the part of the company and the company authorities that they should do. What they are doing or not doing does not concern the government. The government has no policy to impose on another government that you must pay compensation.

[THE NATION] It seems that the Thai military has been quite active in the establishment of Thailand's relationship with its neighbours. As for your country, do you feel more comfortable dealing with the military—Gen [General] Chawalit Yongchaiyut, Gen Chettha Thanacharo—or do you feel more comfortable dealing with the foreign ministry?

[Ohn Gyaw] General Chawalit has personal friends. He visited Burma in 1989 and from that time on he has been frequenting the country. He has established many friends. Traditionally, our people, our governments have been very friendly with the Thai leaders, starting from Chatchai Chunhawan, Athit Kamlang-ek, who was then the supreme commander, because they have the contacting communications. The time of Prem Tinsulanon also he visited Burma, and Sitthi Sawetsila. All these people are military people, formerly. Of course they have the contacts. Of course Gen Chawalit has the same accent and the same aspiration to be friendly.

With the foreign ministry in the past seven years, I met your five foreign ministers very closely. Kasemsamoson Kasemsi is the latest one and before him is the short period of Thaksin Chinnawat. Before Thaksin, all the foreign ministers are very close to each other and that is why we were able to establish a joint commission. Asa Sarasin, he started the initiative to have this joint commission and I complied. So what more I should do? Foreign ministry to foreign ministry, we have a channel and the mechanism. We are resolving questions, very amicably.

[THE NATION] There are some comments in Thailand that this kind of foreign policy may send different messages to neighbouring countries. Do you feel that way, that the foreign ministry is sending one message to you but you have your friend sending another message about the resolution of problems?

[Ohn Gyaw] As long as there is no problem growing, it shows that they are compatible. As far as Myanmar is concerned, in the past 5-6 years, we are able to establishing closer relations with the five neighbouring countries. With Thailand, of course with common border this long, we will have some problems. But we have the perception that there is no problem which cannot be resolved. We will resolved it by mutual accommodation as well as by mutual initiative.

[THE NATION] Thailand wants the border to be reopened especially the three border crossings. What are the conditions or obstacles to their reopening?

[Ohn Gyaw] There are no conditions and no obstacles. There is a saying in Chinese that the one who ties the string will have to untie it.

[THE NATION] So what has to be untied?

[Ohn Gyaw] You have to go to the exact situation. For example, the friendship bridge. Before the bridge was built, there was an island. When we agreed that the bridge be built, the island disappeared. We didn't [do] it. Who did it? The government didn't do it. So as long as there is the original position of the island, then of course the border will be opened.

In Mae Sai. When there were some insurgents going in and out, we were attacked and a few people died. We said please, we didn't start it. Who started it? Of course you have to resolve it on your own. But it is not the government. It is the local people.

[THE NATION] What do you want them to do? Do you want them to compensate for the destruction?

[Ohn Gyaw] Whatever arrangement that they can make it at the provincial level. We have our own people on our side. We do not want to overblow it, because on the other side, people also have feelings. If they don't welcome it, then of course the problem will be at the local level.

[THE NATION] My understanding is that maybe the local authorities want compensation for the loss of houses and other acts of destruction?

[Ohn Gyaw] Of course, but not local authorities, the people who suffered without their own fault. This is the main criteria.

[THE NATION] Does the Burmese side also want the Thai side to hand over the people who intruded?

[Ohn Gyaw] Yes.

[THE NATION] When will be border be reopened then?

[Ohn Gyaw] It will be a simple matter of how soon this mistake is corrected.

SLORC's Invitation to ASEAN Summit Criticized

BK1512153395 (Internet) BurmaNet News in English 12 Dec 95

["Statement" issued by the All Burma Students' Democratic Front [ABSDF] on 12 December; place not given]

[FBIS Transcribed Text] We, the ABSDF students have learnt that "peace and security will continue to be ASEAN's prime concern because they are fundamental to our development in all fields", said by the Prime Minister Banhan Sinlapa-acha interviewing with BANGKOK POST on 12 December.

General Than Shwe, the Chairman of State Law and Order Restoration Council [SLORC], will attend the fifth ASEAN Summit on Thursday [14 December] in Bangkok. At the same time, the SLORC military regime is, after all, the most brutal in Southeast Asia with a record of human rights abuses.

We would like to say that we are very surprised of the invitation to the SLORC military regime by the Royal Government of Thailand to attend the fifth ASEAN Summit as a guest. Because, Royal Government of Thailand was democratically elected by the entire people of Thailand.

We firmly believe that to achieve peace and security in Southeast Asia, which mainly depends on the stability of political situation, and like Burma being ruled by the military regime can not bring genuine peace and benefit not only for the whole region but also even for its own people.

Respectfully, we appeal to the all members of ASEAN Nations to make use of every contact it has with the SLORC to urge the military junta to:

1. Unconditionally release Student leader Min Ko Naing and all political prisoners;

2. Cancel all unjust laws;
3. Abolish the sham National Convention, and
4. Open dialogue with democratic forces led by Daw Aung San Suu Kyi and leaders of ethnic nationalities in order to bring national reconciliation, democracy and peace to Burma.

[Signed] Central Leading Committee

ABSDF
Headquarters, 8888 Camp

KNU Urges ASEAN To Press SLORC Reforms

BK1512161695 (Internet) BurmaNet News in English 14 Dec 95

["Statement" issued by the Central Standing Committee of the Karen National Union on 13 December; place not given]

[FBIS Transcribed Text] The Karen National Union (KNU) would like to congratulate the Royal Thai Government on its hosting of the Fifth ASEAN Summit in Bangkok.

On December 15, ASEAN heads of government are scheduled to meet with leaders of the governments of Cambodia, Laos, and General Than Shwe, Chairman of Burma's military junta, the State Law and Order Restoration Council (SLORC).

The KNU therefore would like to appeal to ASEAN leaders to use their prestige and influence to the utmost to persuade Gen. Than Shwe of the need for the SLORC to urgently make a real commitment to peace, freedom and democracy in Burma.

When the SLORC seized power in 1988, it promised to return power to the people of Burma through multi-party elections. In the May 1990 elections, the NLD [National League for Democracy] led by Nobel Peace Laureate, Daw Aung San Suu Kyi, won a landslide victory. However, the SLORC refused to hand over power and tried to re- establish its political credibility through a so-called National Convention packed with its hand-picked delegates.

The SLORC's National Convention was charged with laying down the principles for a new state constitution. By stage-managing the proceedings and harassing the delegates, the SLORC has tried to defy the will of the people and ensure adoption of a constitution which guarantees continuing military domination.

Daw Aung San Suu Kyi and the NLD statement of 22nd November pointed out this unpleasant truth. The unpleasant past from which we in Burma must struggle to escape is the more than 30 years of military dictatorship and 46 years of civil war.

It is our studied opinion that the ASEAN leaders should (?ask) Gen. Than Shwe for indications of real steps toward solutions for Burma's political troubles.

The KNU believes that it is not only necessary but possible to turn around the depressing political history of Burma. It requires the will of all political groups in Burma to find a genuine solution to the underlying political problems. The KNU has the will and so do the organizations which make up the National Council of the Union of Burma. Daw Aung San Suu Kyi has the will and so does her party.

The SLORC has acknowledged that there are political problems which underlie the political unrest and civil war in Burma, but until now they have not been prepared to listen to the people with regard to a solution. Recently, Aung San Suu Kyi, long having called for dialogue with the SLORC, proposed that the National Convention might become the focus of such dialogue. Representatives of the NLD, who have taken part in the SLORC's National Convention, listed the factors which prevent the delegates from dealing openly and honestly with the task of preparing a new constitution. This was a constructive attempt to explore solutions to Burma's problems. The SLORC once again refused to open the door. The SLORC claims credit for bringing about cease-fires with armed ethnic organizations so as to end the long civil war, but it has refused until now to talk to those organisations about the political settlement necessary to bring about true peace in Burma. The SLORC asks the ethnic organisations to "return to the legal fold" and talk about a political settlement in its National Convention. But how is this possible while the SLORC denies the National Convention the freedom to debate the real issues.

The KNU is one of the ethnic organizations which the SLORC invites to hold dialogue with it for a cease-fire. The KNU for its part has stated many times its willingness to enter into dialogue about achieving real peace in Burma and has now sent a delegation to attempt to establish dialogue with the SLORC. However, the KNU has real doubts that peace can be achieved through a cease-fire agreement which does not also reflect agreement on the way forward with regard to real dialogue about the political future.

The KNU values the opportunity to exchange views with the SLORC. It also echoes Daw Aung San Suu Kyi's sentiment. If there is to be progress in Burma, it must be based on a constitution firmly based on democratic principles and principles of federalism. Similarly, if genuine peace and national reconciliation is to be achieved in Burma, it must be based on a nation-wide ceasefire and free and open discussion in which all of Burma's ethnic groups can jointly decide the future course of Burma.

In conclusion, the KNU would like to urge the ASEAN leaders gathered in Bangkok to use their influence and this occasion to help turn Burma's troubled history around.

December 13, 1995, Central Standing Committee

Karen National Union

Than Shwe Group Returns From ASEAN Meeting

BK1612143595 Rangoon Radio Myanmar in Burmese 0630 GMT 16 Dec 95

[FBIS Translated Text] A Myanmar [Burmese] delegation led by Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] and prime minister of the Union of Myanmar [Burma], returned to Yangon [Rangoon] on a special plane at 1030 this morning after attending the meeting of the ASEAN heads of government and the heads of the governments of Cambodia, Laos, and Myanmar held in Bangkok on 15 December. The Myanmar delegation attended the meeting at the invitation of Thai Prime Minister Banhan Sinlapa-acha.

The Myanmar delegation was welcomed at the Yangon International Airport by General Maung Aye, vice chairman of the SLORC, deputy commander in chief of the Defense Services, and commander in chief of the Army; Lt. Gen. Tin U, secretary-2 of the SLORC; Vice Admiral Maung Maung Khin and Lt. Gen. Tin Tun, members of the SLORC and deputy prime ministers; members of the SLORC and cabinet ministers; senior military officials; Deputy Foreign Minister U Nyunt Swe; senior departmental officials; Mr. Valeri V. Nazarov, dean of the diplomatic corps in Myanmar and ambassador of the Russian Federation, and ambassadors and charges d'affaires; UN resident representatives; and Uthai Sinthon, charge d'affaires of the Thai Embassy, and embassy officials.

Lt. Gen. Khin Nyunt, secretary-1 of the SLORC; Foreign Minister U Ohn Gyaw; Information Minister Major General Aye Kyaw; Lt. Gen. Min Thein, minister of the SLORC Chairman Office; and responsible officials also returned with Sr. Gen. Than Shwe.

SLORC's Maung Aye Receives PRC Officer

BK1512101595 Rangoon Radio Myanmar in Burmese 1245 GMT 14 Dec 95

[FBIS Translated Text] General Maung Aye, vice chairman of the State Law and Order Restoration Council [SLORC], deputy commander in chief of the Defense Services, and commander in chief of the Army, received a delegation led by Lieutenant Gen. (Qanqing Hong), deputy commander in chief of the PRC's People's Liberation Army Air Force — currently in Yangon [Rangoon] — at the Defense Services Hall of the Defense Ministry's Zeya Thiri Beikman [name of building] on Konmyitthaya [name of hill] in Yangon at 1400 today.

The meeting was also attended by Lt. Gen. Tin U, secretary-2 of the SLORC and chief of staff of the Army; Major Gen. Tin Ngwe, commander in chief of the Air Force; Adjutant General Maj. Gen. Win Myint; Quartermaster General Maj. Gen. Tin Hla; and Brigadier Gen. Kyaw Than, commander of the Mingaladon Air Base.

KNU, Military Leaders Begin Peace Talks

BK1512145295 London BBC in Burmese to Burma 1345 GMT 14 Dec 95

[Disptach by Larry Jagan]

[FBIS Translated Text] Dear Listeners: The Burmese military leaders and the ethnic Karen rebel group have already begun official peace talks. According to the statement issued last night, the KNU [Karen National Union], the Karen rebel group, has already sent a seven-member delegation to hold talks with the military government. For nearly 50 years, the KNU has separately engaged in anti-Rangoon activities. Regarding this issue, Larry Jagan has sent in the following:

According to a Karen source, the peace talks with the Burmese authorities are taking place in Moulmein. The Karen source says it is a preliminary meeting to test the sincerity of the Burmese military government before holding any political discussions or signing a cease-fire agreement. In another statement, which was issued along with the statement concerning the beginning of peace talks, the KNU expressed its concerns over the future of Burma. Last year, the KNU made several attempts to hold official talks with the Burmese military government. In October, Karen rebel leader General Bo Mya held informal meetings with the Burmese military authorities near the Thai-Burmese border. Actually, the first official meeting was supposed to start last month but it was postponed by the Burmese Government because the KNU issued a statement supporting the NLD's [National League for Democracy] decision to withdraw from the National Convention. It has been learned from the Karen source that a cease-fire agreement may be signed in the near future. According to a Burmese military source, it has been learned that a signing of the cease-fire agreement is essential before even considering other details.

'Press Statement' Confirms KNU, SLORC Talks

BK1512161795 (Internet) BurmaNet News in English 14 Dec 95

["Press Statement" issued by the Office of the Supreme Headquarters of the Karen National Union [KNU] on 13 December; place not given: "Commencement of Dialogue Between KNU and SLORC [State Law and Order Restoration Council]"]

[FBIS Transcribed Text] Efforts have been made several times to establish the beginning of dialogue between the KNU and the SLORC, mediation being provided through the good offices of the mediating group consisting of L. Khun Mya, Saw Tun Aung Chaing, Saw A Soe Myint, Saw Henson Tardaw, Rev. Saw May Gay Gyi and Saw Richard.

As a result of those efforts, the KNU has now taken a concrete step. On 13th December 1995, a KNU delegation of officials departed for discussions with SLORC officials.

The KNU delegation consists of:

(1) Padoh Saw Klee Say (Head of Delegation)

(2) Padoh Mahn Steela (Member)
(3) Lt. Col Saw Nay Soe (member)
(4) Major Saw Victor (Chief of Technical Staff)
(5) Capt. Titu (Staff member)
(6) Mahn Chit Win (Staff member)
(7) Saw Min Htoo (Staff member)

It is the policy of the KNU to seek to establish dialogue with the SLORC in order to further the interests of the Karen people and all the nationalities and the entire people of Burma. The KNU will provide further information concerning the development of dialogue as necessary from time to time.

Tin U on Possible Peace With Armed Groups

BK1812101295 Rangoon TV Myanmar Network in Burmese 1330 GMT 17 Dec 95

[FBIS Translated Excerpt] Lieutenant General Tin U, secretary-2 of the State Law and Order Restoration Council [SLORC], gave a detailed explanation on matters concerning the political, administrative, and economic situation of the country and judicial matters to chairmen and members of all levels of law and order restoration councils, leaders of the 10 households and 100 households, responsible departmental personnel, civil servants, members of the Union Solidarity and Development Association, reserved members of the red cross and fire brigades from 14 townships in East Yangon [Rangoon] District — a total of about 1,400 — at the city hall building in South Dagon Myothit at 1300 today.

In his opening address, SLORC Secretary-2 Lt. Gen. Tin U said the people who were attending this meeting were also part of the process to build a peaceful, prosperous, modern, and developed nation. This meeting was held to explain the current situation of the country because people attending this meeting were taking part and working for the fundamental units of the country. [passage omitted]

After his address, Brigadier General Khin Maung Than, chairman of Yangon Division Law and Order Restoration Council and commander of the Yangon Military Command; Colonel Tin Hlaing, deputy minister of home affairs; U Khin Maung Aye, deputy attorney general; U Ba Than, director general of the Supreme Court; and Col. Thaik Tun, director of Resettlement of the Defense Ministry, gave explanations on tranquility and prevalence of law and order in the country and administrative matters.

After that, SLORC Secretary-2 Lt. Gen. Tin U gave a closing address. In his address, he said the SLORC had given priority to tranquility and prevalence of law and order in the country since it had assumed responsibility of the country. No social system can be established unless there is regional peace and observance of law and order in the country. While the SLORC has been working hard to achieve peace and stability in the country it is also striving to consolidate the different national races groups with various views. A nation cannot be built without a national solidarity. At present, the majority of the armed groups have joined hands with us and have been implementing programs to develop their regions. I would like to convey the good news that there are good possibilities that a few remaining armed groups are to achieve peace and join hands with us. We are drawing up an enduring constitution that is essential for building a modern and developed nation. [passage omitted]

The meeting ended at 1600.

Troops Reportedly Operating Near Indian Border

BK1712130895 Oslo Democratic Voice of Burma in Burmese 1100 GMT 17 Dec 95

[Dispatch from Kyaw Kyaw Htut, Democratic Voice of Burma correspondent, at India border]

[FBIS Translated Text] It has been learned that there has been an increased deployment of SLORC [State Law and Order Restoration Council] troops along the 2,000 kilometer-long India-Burma border where "Operation Aung Nameik" has been launched, and that 40 porters are being collected from each village in the Naga Hills.

It has been learned that the military operation was launched following the moving of border posts 10 kilometers inside Burmese territory by the Naga. The moving of border posts automatically put the Naga from Burma inside Indian territory. The Naga living on the Burmese side depend on India for all their needs and apparently the Naga moved the border posts because they wanted to live inside Indian territory as the Naga living on the Indian side are more well-off.

The SLORC troops are trying to recruit Naga youths into the Army to establish their foothold. For instance, the 52d, 53d, 223d, and 172th Light Infantry Regiments in Leshe Township are forcefully trying to recruit children from the rural areas and are relocating and burning down villagers that offer resistance. Impoverished Naga 13-year old children were forcefully recruited into the Army, but many deserted due to language barriers, poor conditions, and hardship.

According to an account given by a young soldier who fled from the SLORC Army, he was given only Kyat 70 in salary although he understood the salary of soldiers was Kyat 700. He said he deserted because of extremely poor conditions.

Judiciary Proposals Presented at Convention

BK1512152095 Rangoon Radio Myanmar in Burmese 1330 GMT 15 Dec 95

[FBIS Translated Text] The plenary session of the National Convention continued at 0900 today at the Central Conference Hall in the President's Residence Compound on Ahlone Road in Yangon [Rangoon].

The plenary session was attended by 513 out of 590 delegates eligible to attend the convention.

At the plenary session, U Kyaw Nyein, a delegate, read and presented Part 1 of the peasants' delegates group's collective proposal on the detailed basic principles to organize the chapter on judiciary that will be included in the formulation of the state constitution. U Kyi Tint read and submitted Part 2 of the collective proposal. U Khin Maung Swe, a delegate, read and presented Part 1 of the workers' delegates group's collective proposal on the chapter on judiciary. U Kyaw Myint, alias U Myint Lwin, a delegate, read and submitted Part 2 of the collective proposal. U Ye Htwe, a delegate, read and presented the intelligentsia and intellectuals delegates group's collective proposal. Colonel Aung San, a delegate, read and submitted Part 1 of the state service personnel delegates group's collective proposal while U Kyi Lwin read and presented Part 2 of the collective proposal. The plenary session ended at 1450 and will resume at 0900 on 18 December.

Cambodia

Khmer Rouge Charged for Alleged Terrorist Plot

BK1812104995 Hong Kong AFP in English 1003 GMT 18 Dec 95

[FBIS Transcribed Text] Phnom Penh, Dec 18 (AFP) — Nine suspected Khmer Rouge terrorists on Monday were formally charged with criminal conspiracy and membership in the outlawed guerrilla group, police and court sources said.

The nine, including one woman, were allegedly planning to destabilize the government and create instability by throwing grenades at political party offices and foreign embassies, they said.

"They have been charged with organizing crimes against the Royal Government of Cambodia and also (under) the Khmer Rouge law," said an official at Phnom Penh Municipal Court.

"They are being charged as being members of the Khmer Rouge," the official said.

Authorities confiscated five grenades and a large number of anti-government leaflets, police said, adding that the leaflets called for soldiers to defect to the Khmer Rouge.

Seven of the suspects were arrested last Tuesday and Wednesday and two of them were arrested on Saturday, police said.

"They would have committed sabotage and created political turmoil if they had succeeded in their operation," a senior Interior Ministry official said after the first arrests last week.

A conviction under the anti-Khmer Rouge law carries a penalty of one to five years in prison while a conviction for criminal conspiracy brings a penalty of three to 15 years in prison.

The suspects are believed to have come to Phnom Penh recently from Khmer Rouge divisions 505 and 918 based on the Thai-Cambodian border, the Interior Ministry official said.

They added that several of the suspects carried identification cards that allow them to pass checkpoints of the National Army of Democratic Kampuchea — the official name of the Khmer Rouge, according to a senior police source.

Meanwhile the Khmer Rouge, in a clandestine radio broadcast monitored in Bangkok, denied that the arrested suspects were members of their faction and said that divisions 505 and 918 "do not and have never existed."

If convicted, suspects would be the first people in the capital convicted under the anti-Khmer Rouge law since it was passed by the National Assembly last year.

Since the beginning of 1995 there has been speculation that the Maoist-inspired rebels, facing a severe depletion in their ranks due to high numbers of defections, would resort to urban terrorism but that has not yet occurred.

The nine suspects were expected to be jailed in Phnom Penh's colonial-era T-3 prison pending a court investigation that could take up to six months.

Khmer Rouge React to Arrest

BK1712105395 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 16 Dec 95

[Unattributed "Report from Phnom Penh on the farce that six persons from the resistance forces attempted to throw grenades at political party offices and foreign embassies"]

[FBIS Translated Text] 1. There have been reports from Phnom Penh on the farce according to which six persons from the resistance forces attempted to throw grenades at political party offices and foreign embassies.

2. The masses in Phnom Penh, men and women, old and young, have laughed at this. They say the one-eyed Hun Sen and his masters have run out of tricks and have resorted to the farce of accusing others of attempting to throw grenades at political party offices and foreign embassies.

The masses say that if these men were from the resistance forces, it is not in their interest to harm political parties and foreign embassies; they would have gone for Hun Sen. The masses say that this is a trick of Alev [mischievous character from a popular Cambodian story] facing an impasse. On the one hand, the two-heads have just finished throwing granades at the Buddhist Liberal Democratic Party of His Excellency Son Sann and arresting Prince Sirivut. On the other, Hun Sen has threatened Western embassies and institutions representing the United Nations which has forced these organizations to close their offices because they are afraid of the shrieks produced by Hun Sen, a clipped-wing cricket. Furthermore, the two-heads also threatened the Khmer Nation Party of Sam Rangsi.

The masses in Phnom Penh, inside and outside the country, know about all this. Reporters, diplomats, and governmental or nongovernmental organizations also know about this. Newspapers, magazines, and radio and television stations have all reported threats of violence by Hun Sen, lackey of communist Vietnamese Le Duc

Anh, and have denounced Hun Sen as a fascist and a dictator who kills people and other political parties so that Vietnam's Cambodian People's Party can do whatever it wants.

When condemned by local and world opinion, the one-eyed Hun Sen has turned to the Alev's trick of accusing others saying that the resistance forces planned to carry out subversive acts by throwing grenades in Phnom Penh. The masses in Phnom Penh say that this guy is fascist and dictatorial; however, he is very short-sighted. He is a child playing a gangster game in the footsteps of his master, communist Vietnamese Le Duc Anh.

The masses say that the one-eyed gang leader is well known; he is now turning to accusing others. This is unheard of. This is a trick of Vietnam which has been cheating others all its life. The Vietnamese used to serve the French. The French told the Vietnamese to buy a rabbit and cook a meal. The Vietnamese instead caught a cat next to the kitchen and cooked it then told the French master that it was a rabbit. The French just ate it; then realized that it was a cat. He threw up; beat up the Vietnamese cook; and sacked him.

This is a trick the Vietnamese have been playing all along. The one-eyed Hun Sen has been playing this Vietnamese trick all his life. However, all along the masses have realized this and clubbed him every time. Vietnam and its lackey Hun Sen, however, never learn. The masses say that next time they will not use clubs but axes instead.

Prince Sirivut Accepts Exile for Alleged Plot

BK1612162795 Hong Kong AFP in English
1554 GMT 16 Dec 95

[FBIS Transcribed Text] Phnom Penh, Dec 16 (AFP) — Prince Norodom Sirivut, arrested for his alleged role in a suspected plot to assassinate the country's second Prime Minister Hun Sen, has agreed to leave Cambodia to live in exile in France.

In a December 14 letter to his half-bother King Norodom Sihanouk, released by the palace late Saturday, Prince Sirivut, who had previously said he wanted to remain in the country to stand trial, said he would totally accept the offer of exile that was suggested by the king and then agreed to by Hun Sen.

"I have the honor ... to accept, totally, the clear sighted solution (of the king) ... a very beneficient solution," the prince said in the three-page hand-written letter sent from the room at the Ministry of the Interior where he is being held.

The prince asked that his wife, Christine Alfsen-Norodom, and three young children who are all French citizens, be allowed to stay in Cambodia at least temporarily as the children are in school and his wife's United Nations job provides his family's only income.

In a hand-written response to the letter, also released by the palace, the king said he and the queen would "do our best to protect Princess Christine and your three children in Cambodia."

Prince Sirivut has been held in the Ministry of the Interior since November 21 when he was charged with terrorism, attempting to overthrow the government and criminal conspiracy in connection with the alleged assassination plot.

Hun Sen had demanded the prince's arrest after hearing a tape of a telephone conversation in which Prince Sirivut allegedly said "I will kill Hun Sen."

The prince, the secretary general of the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party and a member of parliament, was placed under house arrest for four days until he was stripped of his parliamentary immunity and arrested.

Several members of foreign governments and international human rights groups have protested against Prince Sirivut's arrest complaining that it was politically motivated.

Commentary on Sihanouk's Visit to SRV Noted

BK1512145195 Phnom Penh National Radio of Cambodia Network in Cambodian
1300 GMT 15 Dec 95

[FBIS Translated Text] His Majesty Norodom Sihanouk Varaman, the king of Cambodia, has flown to Vietnam for a visit that is expected to promote the fine relations between Hanoi and Phnom Penh. His majesty the king is accompanied by a 20-member delegation that includes some members of the royal family as well as His Excellency Ing Huot, minister of foreign affairs and international cooperation of the Kingdom of Cambodia.

His Majesty King Norodom Sihanouk was welcomed by Vietnamese President Le Duc Anh at an official reception at the Presidential Palace.

During the visit, his majesty will hold talks with Vietnamese Deputy Prime Minister Phan Van Khai and Do Muoi, general secretary of the Communist Party of Vietnam. The visit to Hanoi is the first by his majesty since 1973 and is a token of the improved bilateral relations since the Paris accord four years ago.

Hun Sen Urges Publication of Complete Speeches

BK1712073595 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 16 Dec 95

[FBIS Translated Excerpt] Second Prime Minister Samdech Hun Sen has said that the political security of the Kingdom of Cambodia can be affected by reporters excerpting his speeches for comments.

He stressed to a group of national and international correspondents that if they want comment, they are asked to publish his original speeches in entirety. He will only agree to this arrangement.

Samdech Hun Sen made the remarks at Pochentong Airport this morning when he was welcoming the return of His Majesty the King of Cambodia. [passage omitted on tomorrow's visit to Cambodia by Philippine President Fidel Ramos]

Chinese Termed 'Vanguards' of Local Economy

BK1512142495 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 15 Dec 95 pp 1, 3

[Report by Chan Reaksmei]

[FBIS Translated Text] The Association of Chinese Residents in Cambodia [ACRC] has said that its move to restore the economy is the greatest force in the country after the gloomy era in the 1970's when Chinese were persecuted under the Pol Pot regime.

Local Chinese, like their overseas compatriots, are vanguards in the economic field everywhere. They are engaged in all kinds of businesses, including import and export, banking operations, hotel operations, gold trade, rice trade, clothing trade, manufacturing, and so on.

The Trade Ministry has disclosed that more than 50 companies from China are currently doing business in Phnom Penh with an investment capital of about $40 million. The local Chinese are said to be intensifying their trade activities as well.

A Chinese diplomat said: "Chinese residents have bought many plots of land around Phnom Penh. They plan to rebuild Chinese schools and temples."

An MP commented: "In the 1960's, there was a large Chinese community with some 500,000 members in Cambodia. Most of the Chinese were from the southern part of China, like Guangdong Province. According to the government's statistics, there are now some 300,000 Chinese in the country. Most of them are living in Phnom Penh."

Tens of thousands of Chinese were killed or fled Cambodia under the Pol Pot regime between 1975 and 1979. The Chinese lost all of their fortunes.

A diplomat said: "Accused of being entrepreneurs, Chinese residents were forced to engage in hard labor in the countryside. In 1979, they returned to Phnom Penh, but they lost everything, including their land and belongings. Moreover, their temples were also destroyed."

Having suffered great pain under the Pol Pot regime for years, they are now gradually restoring their businesses and striving to line their coffers. In the end, they will get back what they have lost.

In the wake of the toppling of the Pol Pot regime by Vietnam, while China continued to support and aid the Khmer Rouge, the Chinese residents were still faced with difficulties.

In early 1990, the government allowed the reestablishment of the ACRC and the reopening of Chinese schools and temples.

Te Veng, ACRC chairman, speaking to a group of foreign correspondents, said: "Now, we have 13 Chinese schools and five temples in Phnom Penh. The Cambodian authorities, he added, have recognized the Chinese residents as Cambodians and that there are Chinese holding top government positions as well."

This remark is affirmed by the fact that of the 24 members of the Cambodian Chamber of Commerce, 17 are Chinese-speaking, while only three can speak English well.

The growing involvements in politics and trade by the Cambodians of Chinese origin have strongly attracted investments from Chinese communities in Southeast Asia, including Singapore, Malaysia, and Thailand.

A foreign economist said: "They are all Chinese compatriots... [ellipses as published]. Doing business, like getting married, you cannot just share money with anyone you do not know well."

The Cambodians of Chinese origin know the market technics and languages... [ellipses as published]. Most foreign investors in Cambodia are Chinese.

Cambodia, the diplomat added, "is one of the last frontiers" of the world for new investments. There is good opportunity here because the returns are unlimited.

The diplomat also remarked that Beijing is currently implementing a policy to encourage an increasing number of Chinese companies doing business overseas to invest in Cambodia.

Philippines

Three Bilateral Agreements Signed With Cambodia

BK1812073795 Quezon City Radio Filipinas in English 0230 GMT 18 Dec 95

[FBIS Transcribed Text] Three bilateral agreements were forged yesterday by the Philippines and Cambodia that aim to bolster economic and political relations between the two countries.

Philippine President Fidel Ramos, Cambodian Prime Minister Norodom Ranariddh and co-Prime Minister Samdech Hun Sen witnessed the signing of the three memorandum of understandings or MOU's at the Red House of the Chamka Mon Residence after their bilateral meetings.

The first to be signed was the MOU on the enhancement of economic and trade relations between the two countries. Under the MOU the two governments agreed to introduce their respective exportable goods to each other. They also agreed to encourage the visit of commercial representatives, groups and delegations of either party to the country of the other. The Philippines and Cambodia further committed to encourage trade promotion undertakings through regular participation of either country in trade fairs and missions in the territory of the other.

The second MOU is a five-year agreement on rural health development wherein both parties agreed to develop a mechanism by which they can effectively formulate and implement a rural health workers' development plan for Cambodia. Specifically, the Philippines agreed to provide technical assistance in the actual implementation of training of the rural health workers of Cambodia and provide short-term consultants to follow-up or supervise implementation of the plan.

The third agreement was on agricultural and agribusiness cooperation to be undertaken by the Department of Agriculture and Cambodia's Ministry of Agriculture.

Detained Foreign 'Terrorists' Face Court

BK1812055295 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0508 GMT 18 Dec 95

[Passage in italics published in English]

[FBIS Translated Text] The seven foreign terrorists arrested recently in Bulacan will be brought before a fiscal court at 1400 [0600 GMT] today after it was learned through *tactical interrogation* at the Criminal Investigation Command [CIC] that the arrested foreigners are members of a terrorist group in Pakistan.

Meanwhile, the two foreign terrorists who escaped from CIC operations in Bulacan are now in Manila. In this regard, a wide *manhunt operation* has been undertaken by the police to arrest the two terrorists. According to a police official, the two wanted terrorists are not in the country's Muslim centers, although it was not mentioned where in Metro Manila the suspects are hiding.

Also, based on the tactical interrogation of the terrorists, it is known that they were able to get into the country through contacts with the local Abu Sayyaf terrorist group to spread violence in the country, particularly during the holding of the APEC [Asia-Pacific Economic Cooperation] summit.

More on Five Suspected Terrorists

BK1812040895 Quezon City Radio Filipinas in English 0230 GMT 18 Dec 95

[FBIS Transcribed Text] While in Phnom Penh, President Ramos ordered military and police authorities in Manila to get to the bottom of circumstances surrounding the arrest of five Pakistani nationals suspected to be members of an international terrorist group. He also directed the military and police in the country to be vigilant always, as he congratulated them on the successful raid that resulted in the arrest of the suspected terrorists. The president who is on a two-day state visit to Cambodia issued the order after he received the full report regarding the arrest of the Pakistanis in San Jose Del Monte, Bulacan, Saturday [16 December] morning.

Arrested were Mohammad Ali, 38; Mujahid Khan, 30; Mohammad Aslam, 35; Azfar Husain, 33; and Mahmud Ali, 32 — all from Karachi, Pakistan.

During a press conference at the Phnom Penh Garden held in Phnom Penh, the president said pieces of evidence seized from the suspects such as explosives, wirings and timing devices were similar to the ones that were uncovered by the police in an apartment in Malate, Manila last January. The president said military and police intelligence units are checking if the five Pakistanis were cohorts of Ramzi Ahmad Yusuf, the alleged mastermind in the 1993 bombing of the World Trade Center in New York. Yusuf was also linked to a plot to kill Pope John Paul II during the papal visit in Manila early this year.

The president also ordered the National Bureau of Investigation, the Bureau of Immigration, and Armed Forces of the Philippines, and the Department of Interior and Local Government to work jointly to uncover new evidence against the arrested Pakistanis.

Two Suspected Terrorists Identified

BK1812012495 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 17 Dec 95

[FBIS Translated Text] Two more Pakistani nationals were arrested by the authorities in Ermita, Manila, yesterday [17 December]. The Pakistanis were suspected of being members of a terrorist group planning to spread violence in the Philippines. The two were identified as (Mohammad Mubin Khan) and Imtiaz Mohammad Yamin. (Khan) and Yamin were drinking at the Aloha restaurant in Ermita when they were arrested by the authorities. The two denied the police's accusations. They were immediately taken to the Criminal investigation Command in Camp Crame for interrogation.

One Admits APEC Disruption Plan

BK1812102295 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0945 GMT 18 Dec 95

[FBIS Translated Text] One of the Pakistani terrorists has admitted to their plan to disrupt the APEC [Asia-Pacific Economic Cooperation] Summit which will be held in Subic next year. Along with this, criminal charges have already been filed against the five Pakistani terrorists who are all members of the Muhajir Qaumi Movement or MQM in Pakistan. The MQM is a Pakistan-based radical group which aims to change the system of government in Pakistan through violence. One of their plans is to assassinate Pakistan President Benazir Bhutto, who is expected to attend the APEC Summit.

The initial charge to be filed against the terrorists is illegal possession of explosives. The terrorists were arrested in a raid conducted in San Juan, Del Monte, Bulacan last Saturday; two other terrorists who escaped during the raid are already said to be in Manila. The authorities are now conducting a widespread manhunt to arrest these terrorists.

Thailand

Southeast Asia-PRC Rail Project Proposed

BK1612142895 Kuala Lumpur THE STAR in English 16 Dec 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] BANGKOK — Malaysia has proposed that the double-track electric train project in Malaysia and Singapore be expanded as a transnational railway network across South-East Asia to Kunming in South China.

Datuk Sri Dr Mahathir Mohamad said the project could be conducted on a joint effort with the countries involved, adding Singapore and Laos had accepted the idea and expressed their backing.

The Prime Minister said the project could take off based on investment inputs from these.

"We have planned to implement the KTM Bhd [Malayan Railway Private Limited] double track electric train between Singapore and the border with Thailand.

"When I met (Singapore Prime Minister) Goh Chok Tong in Singapore, I proposed the possibility of extending the service to Bangkok and later to Laos until Kunming," he told Malaysian reporters after the closing of the fifth Asean summit yesterday.

Goh again expressed his support for the project when the two leaders met yesterday.

Dr Mahathir said he was unable to float the idea to Beijing since China was not in Asean but expressed confidence that China would be receptive to the idea as it was a viable proposal.

"It will begin between Malaysia and Singapore. We intend to introduce a trial service between Singapore and Pulai (in Johor Baru) and after that between Pulai and Kuala Lumpur, following which it will be extended north up to the Thai border.

"The implementation will take time but I hope it can be expedited," he added.

Dr Mahathir said the double track electric train has a maximum speed of 160km per hour, which was sufficient for this region.

Foreign Minister Datuk Abdullah Ahmad Badawi said Malaysia and Singapore would map out a package for joint development of the railway land in Tanjung Pagar, Singapore, which was owned by KTM Bhd.

He said officials from both sides would have to study the matter and fine-tune details. Tanjung Pagar is the last stop in Singapore for the KTM's Kuala Lumpur-Singapore train service.

Briefing newsmen after Dr Mahathir's bilateral meetings with Singaporean and Vietnamese leaders earlier, Abdullah said Hanoi reiterated its willingness to accept the return of boat people now in Malaysia.

Abdullah said although Malaysia wanted to send them back within the deadline set by the UN High Commission for Refugees, Kuala Lumpur was willing to extend the period to accommodate Hanoi.

"If we can't meet the deadline due to unforseen circumstances, we may have to change the deadline."

The UNCHR [United Nations Commissioner for Refugees] had set the deadline to send the refugees by Aug 31 this year but extended it to Dec 31.

Another extension was given recently although no mention of a new deadline was made.

Dailies Review Fifth ASEAN Summit in Bangkok

BK1812131095

[FBIS Editorial Report] On 16 December, three Thai-language dailies — THAI RAT, NAEO NA, AND KRUNGTHEP THURAKIT — carry 800-word editorials on the recently concluded Fifth ASEAN Summit in Bangkok.

In its page-3 editorial, entitled: "The Power of Southeast Asia," THAI RAT says the recently concluded summit is a show of force of the ten Southeast Asian countries wishing to advance en masse in order to achieve peace and prosperity for the region. "As the host country, Thailand should be commended for having brought all those leaders to a summit that has become the focus of world attention. Those leaders pledged, through the Bangkok Summit Declaration, to enhance cooperation for economic and political development." Citing the signed protocols aimed at promoting economic cooperation, such as the protocol on the Common Effective Preferential Tariff scheme for the ASEAN Free Trade Area, and the ASEAN framework agreement on intellectual property rights, the paper says "they are proof of the Southeast Asian people's determination to achieve prosperity in their region in the coming 21st century."

ASEAN will soon comprise all 10 Southeast Asian nations instead of just the current seven members. This will enhance the role of ASEAN in the international arena. The paper notes: "There is one point we would like to caution both ASEAN and non-ASEAN nations — they must try to solve the existing problems among them as soon as possible. They should try to adopt regulations as concrete guidelines to settle conflicts among them now. Otherwise, those problems will become a timebomb difficult to defuse," the editorial says. It adds: "The 10 nations must also be ready to face opposition from world powers or other regional groupings. It is necessary to march ahead in the sense of togetherness without any mistrust or suspicion."

NAEO NA's editorial, on page 3, entitled: "They Deserve Praise," credits the government and concerned authorities for the outstanding success of the ASEAN summit, but says "most of the points should go to Prime Minister Banhan Sinlapa-acha." It says: "A major achievement is the agreement on trade and economic cooperation, which will enhance the bargaining power of Southeast Asian countries in their dealings with other countries in the world. Of particular significance is Thailand's success in convincing the other leaders who attended the summit to agree on the reduction of customs tariffs, originally targeted at 0.5 percent, to 0 percent, to within a shorter timeframe."

The editorial notes another achievement during the summit — the Thai prime minister's bilateral discussion with the Malaysian prime minister over the fishing problem between the two countries. It was agreed during the talks that a joint Thai-Malaysian committee would be set up to resolve existing problems.

In its page-2 editorial entitled: "The Task ASEAN Must Pursue," KRUNGTHEP THURAKIT shares the same view as NAEO NA's editorial that a major achievement scored by Thailand was ASEAN's acceptance of the "zero tariff" to be implemented by the year 2003. Concerning the Southeast Asia Nuclear Weapon-Free Zone Treaty, the editorial says it would have been agreed upon a long time ago, had it not been for the obstacles coming from the war in the region — "the war in Cambodia in which certain nuclear powers were involved." Another obstacle was the military bases of nuclear powers in certain countries of the region. "Now that the bases have been removed, the time is right for an establishment of a nuclear-free zone in this region," the editorial says.

It continues: "The treaty was signed by seven ASEAN members and three non-ASEAN neighbors. However, none of the five nuclear powers, including the United States, which were supposed to sign the protocol attached to the treaty, were present at the summit.

"The United States made it clear from the beginning that it would not sign the protocol because there are still some points in the treaty that need to be reviewed. Possibly because of a similar reason, other nuclear powers — France, the United Kingdom, China, and Russia — did not send representatives to the summit.

"Although it did not indicate which changes should be made, we believe the United States, which is now an uncontested world power (with no rivals as in the past), wants to have reservations to protect the rights of nuclear powers' freedom of movement through navigation and overflight in Southeast Asia," the editorial reads. The U.S. strategic deployment is based on high mobility in any part of the world in terms of emergency. This could also be the reason for the delay in having other nuclear powers sign the protocol. The ASEAN summit's resolution to review related points in the said treaty was meant to accommodate nuclear powers' concerns, the editorial says.

In conclusion, the paper says: "Admitting that this summit was a success, the Government of Thailand must bear the responsibility in pursuing the goals of this summit, no matter who is the government leader in the coming years, be it Banhan Sinlapa-acha or not."

Editorial Weighs Outcome of 5th ASEAN Summit

BK1612111795 Bangkok BANGKOK POST in English 16 Dec 95 p 4

[Editorial: "Not an Outstanding Summit, But So What"]

[FBIS Transcribed Text] The Thai hosts would like the ASEAN summit, which ended yesterday, to have been one to remember. Those who might be disappointed should bear in mind that the more summits ASEAN holds, the less chance there is that any particular one will stand out in history. With ASEAN now committed to even more summits, that will be even more the case.

Bangkok 1995 did not have the impact of that original Bangkok summit 28 years ago in 1967 when ASEAN was born. It is not really comparable to the last summit in Singapore 1992 when the ASEAN Free Trade Area was agreed on. But it does have more achievements than say Manila 1987.

There is one event that could keep Bangkok 1995 in the history books — the signing of the nuclear weapons-free treaty. A "Bangkok Treaty" would certainly be easier to pronounce than some of its predecessors — Tlatelolco in Latin America, Rarotonga in the South Pacific, and Pelindaba in Africa. Unfortunately ASEAN has chosen SEANWFZ (pronounced, we believe Shorn-fez), hardly a word to trip lightly off the tongue.

The importance of the nuclear treaty may depend on the risk of nuclear war: the greater the risk, the greater the importance of the treaty. In that sense, we would all hope that the treaty will not be important.

In any sense, however, the treaty is important. As one ASEAN official put it: it prevents more North Koreas and Chernobyls. The treaty — so long as it is honoured — prevents a nuclear arms race among Southeast Asian countries, and it requires those planning to use nuclear power to do so in a transparent way that conforms with the rules of the International Atomic Energy Agency. Thailand, Indonesia and Vietnam are among countries expressing an interest in nuclear power.

At the same time, we should not be under any illusions. There are some in ASEAN — not necessarily a majority who are in favour both of the nuclear treaty and of remaining under the nuclear umbrella of the United States. For them, that is not a contradiction. Limiting nuclear weapons also means allowing the existing powers to retain their dominance.

The other significant outcomes include the decisions to speed up the ASEAN Free Trade Area programme, to include agriculture, and to start negotiations in services.

Also important was the meeting of the 10 Southeast Asian leaders, ASEAN's expansion to cover the whole of Southeast Asia appearing to be irreversible, even if many rightly have reservations about admitting Burma.

This, together with yesterday's decision to start work on combined efforts to develop the Mekong basin, creates intriguing prospects for the region. Malaysia is happy that it could invite the Japanese and South Koreans to join the ASEAN and Mekong countries in yet another East Asia Economic Caucus [EAEC] in disguise. Singapore is happy that this could point the EAEC (or the "not-EAEC" as the case may be) in a direction that does not alienate the Americans.

For all its virtues, the free trade programme has been diluted by the many exclusions and sensitivities. The only redeeming factor is the agreement that none of these should remain protected beyond 2010.

Whether the services agreement comes to anything depends on the outcome of the negotiations that are to follow. The question of whether these should be completed in three years or a year and a half is less important than what kind of liberalisation emerges afterwards. It can only be hoped that ASEAN governments are prepared to take courageous and responsible action — aiming for significant liberalisation with a sensible package of adjustment assistance for those that need help to adjust to the changes.

Frankly, some of the other agreements are unimpressive. The intellectual property pact simply requires ASEAN to continue talking about things they have failed to agree on over the past year, such as whether there should be central registration offices for patents and trademarks.

The "functional" decisions, which deal with administrative and "people" issues, contain some sensible proposals such as for cooperation on AIDS and drugs.

It also contains some questionable ones, such as the idea of people's participation in ASEAN. This is unlikely to be meaningful in an organisation that is highly bureaucratic and jealously guards its secrets. Nor is it likely to be meaningful if most ASEAN countries do their best to stamp out public criticism.

Nevertheless, the leaders can be reasonably satisfied with their summit. One person in particular should be happy. Banhan Sinlapa- acha has been highly praised by members of several delegations for his hard work, good relationship with his colleagues and "impressive leadership" — in the words of Goh Chok Tong of Singapore.

He has proved he can perform on the international stage, even if he does not have the imagination and depth of some of his colleagues such as Dr Mahathir Mohamad of Malaysia.

Unfortunately, Mr Banhan now has to return to the grime of Thai politics.

Banhan Urges Laos To Facilitate Trade Dealings

BK1612122095 Bangkok BANGKOK POST in English 16 Dec 95 p 7

[Report by Nutsara Sawatsawang]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha yesterday asked Laotian Premier Khamtai Siphandon to open up the service sector for Thai firms and speed up visa processing to help business links.

Mr Banhan raised the issues during a 15-minute meeting with Gen Khamtai.

Deputy Permanent Secretary for Foreign Affairs Sarot Chawanawirat quoted Mr Banhan as asking the Laotian premier to allow Thai service companies, particularly in insurance, to operate in Laos to help both Thais and Laotians.

Thai Ambassador to Laos Somphan Kokilanon said: "Even the Laotians are now buying insurance from Thai companies in Thailand, so Laos should allow us to establish insurance companies on Laotian soil."

Currently Thai firms working there and Laotian people have no alternative because Laos has only one insurance company operating in the country, the ambassador added.

Mr Somphan said the slow process of the issuance of visas by the Laotian Embassy caused inconvenience for Thai businessmen.

A source said it takes days for Thais to get a visa and it has to be done through travel agents, which sometimes charge up to 2,500 baht in contrast to the 300 baht embassy charge.

The source added that Thais cannot get visas on arrival as they will be issued only for countries which have no embassies in Laos, unless they inform the authority concerned three days in advance.

The two issues are being considered by the Laotian Government after being raised by Thailand in the Joint Commission meeting held last month in Vientiane.

According to Mr Sarot, the Laotian leader asked for Thailand to help Laotians facilitate the transport of Laotian vehicles.

Junta Leader Says Burma Moving Toward Democracy

BK1612114295 Bangkok THE NATION in English 16 Dec 95 p A5

[Unattributed Report]

[FBIS Transcribed Text] Burmese junta leader Lt Gen Than Shwe yesterday told ASEAN leaders his country is progressing towards an open-market economy, a process he predicted will lead to democracy.

He said Burma's chances of becoming a member of the Association of Southeast Asian Nations had increased as a result of the SEA [South East Asia]-10 nations meeting.

According to Kopsak Chutikun, director general of the Foreign Ministry's Economic Affairs Department, Than Shwe told the other 10 leaders that he hoped Burma would be granted ASEAN observer status when ASEAN foreign ministers hold their annual meeting next year in Indonesia.

Kopsak, who served as one of Prime Minister Banhan Sinlapa-acha's three "technical staff" during the summit said all 11 leaders reaffirmed ASEAN's policy of non-interference at the meeting.

The policy is one of the principles of peaceful coexistence proclaimed at the Afro-Asian Conference in Bandung, Indonesia, in 1955 where Burma was a key participant.

The principle is behind ASEAN's reluctance to criticize political developments in Burma. The West has urged the regional grouping to adopt a harsh stance toward Burma for the apparent stalling of its restoration of democracy.

Than Shwe's remarks about the relationship between economic and political development in Burma are seen as an attempt to allay ASEAN concerns about the political and human rights situation there.

The UN committee on social and humanitarian affairs last week adopted a resolution urging the junta to negotiate with opposition leader Aung San Suu Kyi and other political leaders — including representatives of ethnic minorities reconciliation and steps toward democracy.

Suu Kyi, who was released in July from nearly six years of house arrest, has criticized the junta's national constitutional convention as undemocratic. Her political party, the National League for Democracy pulled out of the forum to protest the junta's refusal to begin discussions with it.

Asked whether ASEAN wants to see a dialogue between Suu Kyi and the junta, Sarot Chawanawirat, the Foreign Ministry's permanent secretary, said the group would not comment since that would represent interfering in others' domestic affairs. He said simply that ASEAN "has been watching" political development in Burma.

Sarot told a press conference after a meeting between Banhan and Than Shwe, who chairs the ruling State Law and Order Restoration Council (Slorc), that the Thai premier had said he hoped to visit Burma next month.

Sarot said Banhan told Than Shwe that the Thai Cabinet had approved the border trade agreement between Thailand and Burma earlier this week. He said the two countries could sign it soon.

Kopsak said both countries had already worked out the wording of the agreement.

Burma's list of 28 prohibited commodities would not hinder border trade since the goods will be treated like those requiring official trading formalities such as an opening of letter of credit.

The two countries still must set a date to sign the agreement, which was first proposed by Burma in February 1990. Sarot said the agreement was based on a similar pact Burma had signed with three other neighbours — Bangladesh, China and India.

He said both Thailand and Burma want the agreement since it should help regulate border trade and generate tax revenues. He admitted that smuggling and armed ethnic violence were crucial to the agreement's drafting.

Under the draft agreement, three border crossings at Tachilek-Mae Sai, Myawadi-Mae Sot and Victoria Point-Ranong will be permanently opened.

While Burma sees the agreement as a measure to curb illegal smuggling, Thailand expects it to help promote and regulate trade.

Burma closed its border with Thailand earlier this year after several incidents of violence along the border. Thailand has tried without success to convince the Burmese leaders to reverse their decision.

Defence Minister Gen Chawalit Yongchaiyut, who has tried in the past few months to use his personal connections with Slorc leaders to reopen the Thai-Burmese border, visited Gen Than Shwe yesterday afternoon.

Thai officials forbade the media from covering the event saying that Chawalit considered his visit "a private one". Speaking after the meeting, Chawalit said he had come to see Than Shwe because they were old friends.

Swedish Submarines Preferred Despite Kickbacks

BK1612143295 Bangkok BANGKOK POST in English 16 Dec 95 p 5

[Report by Surasak Thamcharoen]

[FBIS Transcribed Text] Naval officers as well as civilians occasionally see American submarines floating off Phatthaya as their crewmen take shore leave. But visits by European submarines are rare — the latest being a British-made Oberon-class — and trying to distinguish them from the American variety is not easy.

Certainly, the manufacturers of American submarines have not yet been involved in any kickback scandals in this country, unlike their European counterparts.

As far as military science is concerned, Thailand needs a number of submarines to meet its "blue-sea defence strategy" and to protect its communications sea-lines in both the Gulf of Thailand and Andaman Sea, according to naval officers.

Technically speaking, most officers prefer medium-sized, diesel-powered subs. From a commission perspective the type of submarine considered "operation-suitable" could well come from Europe, said one military observer.

For the past few months Thailand has been showing an interest in European subs as an alternative to American models, but the rationale for this switch in preference remains a mystery, even among Thai military circles.

With the Americans virtually ignored in the effort to sell subs to the Thai Navy, the Swedes and the Germans appear the most promising among the European sub manufacturers, although the Russians, French, Italians and Dutch are also interested.

But the Swedish manufacturer Kockums, which exports, among other weapon systems, the Gotland-class diesel-powered submarine, has become embroiled in the money-for-votes scandal in which a considerable payment was allegedly made during the July 2 election campaign.

Kockums has categorically denied any payments were paid to the Chat Thai Party as alleged by Henrik Westander, a Swedish arms researcher. But as the scandal continues, Kockums's representative in Thailand, S.P. Communications, owned by a retired naval officer Supridi Siphadung, must realise its chances of selling two submarines are dwindling, if not vanishing altogether.

This leaves Germany's HDW as clearly favoured to win the procurement contract estimated at 40,000 million baht.

Sources say arms dealer Rasi Bualoet has been working hard behind the scenes in pushing hard for the purchase of the HDW submarines, which she represents.

The sale is a lucrative one with the competition fierce. As one source pointed out:

"Not only Kockums can be accused of paying kickbacks to politicians, but other firms as well. This is a common practice among arms dealers worldwide."

Westander alleged in the Swedish newspaper DAGENS NYHETER that Kockums, using Mr Supridi as a conduit, had contributed heavily to Chat Thai Party's campaign fund in exchange for an increased opportunity in winning the arms deal.

The researcher has subsequently challenged the submarine exporter to sue him in court so that more information pertaining to the scandal can be produced.

The allegations have rocked the Thai establishment and efforts are now under way to unravel all the facts.

Prime Minister Banhan Sinlapa-acha has looked lost at sea but has assigned a Chat Thai team to fly to Sweden to dig up details. Thai diplomats in Stockholm have also been instructed to seek more information from the Swedish Government, the majority shareholder in Kockums.

The Thai Navy, meanwhile, is reluctant to proceed further with the purchase while waiting on further details about Mr Westander's background, according to Navy Chief-of-Staff Admiral Winai Intharasombat.

The Democrat-led opposition, naturally enough, is also taking a keen interest and is digging up facts and figures of its own with the intention of using them in a no-confidence motion against the Banhan administration as early as next March.

Mrs Rasi, meanwhile, is known in military circles to be close to Khunying Phankhrua Yongchaiyut, the wife of New Aspiration Party leader and Defence Minister General Chawalit, Yongchaiyut.

Gen Chawalit recommended after giving testimony before the House Foreign Affairs Committee last week that Kockums should be excluded from the submarine bidding process due to the kickback allegations.

But the exclusion move was thwarted by Chat Thai Secretary- General Sano Thianthong, who is alleged to have some knowledge of the bribery purely by virtue of his position within his party. Democrat Secretary-General Sanan Khachonprasat is also thought to have some information, as he has said he was approached by people wanting to sell the subs when his party formed the core of the previous coalition government.

"As a matter of fact, Mrs Rasi is nothing other than Khunying Phankhrua's protege. It was Khunying Phankhrua who provided her the (arms dealing) office," said one political source who has been following the arms purchase issue.

"As the Swedish submarine offer takes a dive, the German submarine manufacturer is rising to the surface. This simply could be a game the arms dealers are playing using politicians as their pawns."

One military expert said the Navy preferred the Swedish submarine over its German counterpart in terms of manoeuvrability and durability. The Swedish submarine supposedly being offered to Thailand can remain submerged for a full month, he said, something the German submarine cannot do.

Swedish submarine manufacturing technology is said to be 20 years ahead of the German's as the German arms build-up and weapons system development has been restricted since the end of World War II.

Another source said some Asian countries, including Indonesia, were not very pleased with their German submarines and were turning to other European manufacturers with their new procurement plans.

Though the politicians might appear concerned about, and even tainted by the Kockums kickback scandal, the Navy is determined to purchase two submarines, rather than the four it originally wanted, and that no politicians should stand in its way, Deputy Navy Commander-in-Chief Adm Winyan Santiwisat said.

SRV Urged To Hasten Repatriation of Refugees

BK1612110995 Bangkok BANGKOK POST in English 16 Dec 95 p 2

[Report by Atchara Atchayakachat]

[FBIS Transcribed Text] Two ASEAN members have urged Vietnam to speed up repatriation of boat people to comply with an internationally-agreed deadline to close a number of refugee camps around the region by end of this year.

The deadline applies to first asylum camps, those in countries refugees originally arrived in.

Malaysian Prime Minister Mahathir Mohamad and Philippine President Fidel Ramos discussed the issue with Vietnamese Prime Minister Vo Van Kiet yesterday during bilateral meetings on the sidelines of the ASEAN summit.

According to its Foreign Minister Abdullah Ahmad Badawi, Malaysia would send back "economic refugees" — boat people deemed ineligible for resettlement — and this should benefit Vietnam's economic development as they can help contribute their skills.

In response, Prime Minister Kiet said Vietnam is trying its best to repatriate all refugees but it needs more time to resolve the matter.

Dr Mahathir was quoted by ASEAN sources as saying: "We will willingly render any assistance Vietnam may need in resettling those refugees."

President Ramos of the Philippines also raised a similar issue with the Vietnamese premier yesterday.

Vietnam

Vo Van Kiet Delivers Closing Speech at Summit

BK1512143095 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 15 Dec 95

[Speech by Prime Minister Vo Van Kiet delivered at the closing ceremony of the Fifth ASEAN Summit Conference in Bangkok on 15 December — read by announcer]

[FBIS Translated Text] Excellency Chairman of the Summit, His Majesty the King, Excellencies, Ladies, and Gentlemen:

After a period of preparation in the spirit of cooperation and friendship and after two days of urgent work in the atmosphere of mutual trust and understanding, the Fifth ASEAN Summit Conference concludes with splendid success. We have ample ground to say that this summit will enter the history of ASEAN as a conference to consolidate peace and expand cooperation.

At this conference, the Bangkok Declaration and other documents defining new orientations for cooperation in various domains among ASEAN member countries have been signed. Certainly, these are documents aimed at expanding and further perfecting ASEAN's activities and manifesting important objectives of all ASEAN member countries.

The positive implementation of the significant agreements reached at this conference will create a new effect accelerating cooperation in the political, economic, trade, and other specialized domains, thereby opening up fine prospects for development in the days ahead.

The Bangkok 1995 Fifth ASEAN Summit Conference has the honor to welcome the dignitary heads of governments of Cambodia, Laos, and Myanmar [Burma] who attended the first meeting of heads of governments of the 10 countries in Southeast Asia. This is a historic event that marks the new development of ASEAN and opens up a new prospect for cooperation and friendship among countries in the region for a future of peace and development.

Please allow me to warmly welcome the future members of ASEAN — namely Cambodia, Laos, and Myanmar. Particularly, the approval and signing of the Treaty of Southeast Asia Nuclear Weapon Free Zone by ten countries in our region is a new factor contributing to consolidating peace, an essential factor for development and prosperity. Over the past 50 years, since the atomic bombing of Hiroshima and Nagasaki, the scourge of nuclear arms has persistently threatened the existence of mankind. Today, despite many international agreements reached on the limitation use of this lethal weapon, its danger is still prevalent. For our current life and that of the younger generations, the people of our countries are tirelessly struggling for a world free of nuclear weapons. We earnestly hope that countries outside this region, especially nuclear-weapon superpowers, will respect the aspiration and commitment of Southeast Asia, and will ensure the nonuse of nuclear weapons. We also hope they will refrain from threatening to use nuclear weapons, and will implement a pledge to make the world completely free of nuclear weapons as soon as possible.

At the closing of this summit and with its satisfactory results, we should together pledge to do our best to make ASEAN stronger, promote closer cooperation, and make it more prosperous.

Together with my colleagues, I sincerely thank the Thai Government and people for their hospitality and the wonderful preparations for the summit. I would like also to share with my colleagues high praise for the talented guidance of His Excellency Prime Minister Banhan Sinlapa-acha. His contributions have contributed to the fine success of the conference.

I warmly welcome and sincerely thank ministers, officials of the ASEAN member countries, the ASEAN Secretariat headed by His Excellency Secretary General Ajit Sigh, and all the technical personnel for their great efforts and hard work, which resulted in high achievements of our conference.

Vietnam has the honor to host the Sixth ASEAN Summit Conference in Hanoi. I earnestly hope that Vietnam will receive the wholehearted support and valuable assistance from our friends here in the preparations for this important event.

I would like to say goodbye to all of you now, and see you again in Hanoi in 1998.

Deputy Premier, ASEAN Bankers Hold Talks

*BK1312115895 Hanoi VNA in English
0643 GMT 13 Dec 95*

[FBIS Transcribed Text] Hanoi VNA Dec. 12—Deputy Prime Minister Phan Van Khai received here today a visiting high-ranking delegation from the ASEAN Bankers Association (ABA) led by Wong Nang Jang, president of the ABA Council.

Deputy PM Khai spoke highly the ABA's activities which aim to promote cooperation for common benefits and friendship among regional countries. He expressed his wish to see continued cooperation and assistance from the ABA in monetary and finance fields, especially capital mobilisation from domestic and outside sources. He said he hoped that the ABA would help Vietnam renew equipment and technology and build infrastructure facilities, thus contributing to its national industrialisation and moderniz- ation.

ABA President Wong Nang Jang expressed his admiration for Vietnam's achievements in the current economic reform, especially in inflation control.

Finance Minister Attends AFTA Council Meeting

*BK1212072595 Hanoi VNA in English
0710 GMT 12 Dec 95*

[FBIS Transcribed Text] Hanoi VNA Dec.12 — Vietnamese Finance Minister Ho Te attended the eighth ASEAN Free Trade Area (AFTA) council meeting held in Bangkok last Sunday.

The AFTA council acclaimed Vietnam's participation in the Common Effective Preferential Tariffs (CEPT) as from Jan.1, 1996 and its provision of lists of goods subject to tax reductions and other priorities under AFTA.

At the common press briefing by AFTA council, Mr. Te said that Vietnam is facing many difficulties, as it joined ASEAN only four months ago. However, with its own determination and warm assistance from other ASEAN members, Vietnam has provided all the required lists for AFTA on time.

Le Duc Anh Meets With Cambodia's Sihanouk

*BK1512095795 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 14 Dec 95*

[FBIS Translated Text] Vietnamese President Le Duc Anh held talks with Cambodian King Norodom Sihanouk at the presidential place yesterday afternoon.

On behalf of the Vietnamese state and its people, President Le Duc Anh warmly welcomed King Norodom Sihanouk and his queen, who are currently on an official friendship visit to Vietnam. He viewed this visit as an important event marking a higher step of development in the traditional relations of friendship and fine neighborly cooperation between Vietnam and Cambodia.

President Le Duc Anh briefed the King on Vietnam's achievements in the process of socioeconomic renovation over the past five years, and Vietnam's diplomatic achievements.

The president praised highly the continuing policies and efforts made by both countries in strengthening their traditionally friendly relations. He expressed his joy at the many important achievements scored by the government and people of Cambodia under the clear sighted leadership of the King. He praised the King's efforts to consolidate peace, to carry out national reconciliation and economic restoration and development, and to exercise a foreign policy of independence, peace, neutrality, nonalignment, and friendly relations with other countries.

President Le Duc Anh affirmed Vietnam's policy to constantly consolidate and increase its traditional ties of fraternal friendship and fine neighborly cooperation with Cambodia on the basis of those principles already agreed upon by both sides: respect for each other's independence, sovereignty, and territorial integrity; noninterference in each other's internal affairs; non- use of force or threats with the use of force, and refraining from allowing any political or military forces to use one country's territory as a springboard for attack on another country; resolution of all issues in bilateral relations through peaceful negotiations; equitable and mutually-beneficial cooperation; and peaceful co-existence in the interests of the two peoples and of peace, stability, and cooperation in Southeast Asia.

King Norodom Sihanouk expressed his joy and elation at revisiting Vietnam after 20 years. He also expressed his admiration for the rapid changes of betterment, and achievements from the renovation process for the heroic Vietnamese.

The King emotionally recalled those beautiful experiences he had with the leaders and people of Vietnam during his previous visits to Vietnam and said that those years when the two nations jointly struggled for the cause of national liberation and unification were exemplary and wonderful.

The King said that the traditional friendship and the multifaceted cooperation between Cambodia and Vietnam will be bound together forever and nothing can break it.

The two leaders also exchanged views on international and regional issues of mutual concern.

Addresses Banquet

BK1512153695 Hanoi VNA in English
1254 GMT 15 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec. 15 — The following are excerpts from speeches delivered by President Le Duc Anh and visiting Cambodian King Norodom Sihanouk at a state banquet given yesterday evening in honour of the Cambodian monarch and his entourage.

The Vietnamese president said that 'this visit constitutes a valuable opportunity for us to have useful and practical discussions in order to further promote friendship and cooperation between the two countries.

'The first Vietnam visit by the King since Cambodia adopted a new constitution is an important event and a bright marker to further the two countries' traditional friendship and neighbourliness which were tested during the long and arduous struggle for independence, freedom and happiness of the people in each country.

'The relations have become a valuable tradition and one of the key factors to ensure the success of national construction and development for prosperity in each country, and to contribute to peace, stability and cooperation in the region.

'...We highly appreciate the King and the Cambodian state's orientation to constantly promote and support the neighbourly friendship and multi-faceted cooperation with Vietnam. On our part, we would like to reconfirm that with the profound sentiments of a neighbour, Vietnam, in the past as well as in the future, has always treasured and granted high priority to the maintenance and fostering of the relationship with Cambodia.

'We believe the Vietnam-Cambodia relations under the principles agreed upon by the two countries will be further developed for the interests of each people, and for peace, stability, cooperation and prosperity in the whole region.

'In this spirit, we highly value the fine results of the talks with the king and firmly believe that the king's official Vietnam friendship visit will be successful, contributing to raising the two countries' relationship to a new height of development, meeting the aspirations and interest of both peoples and conforming with the regional trend.

'...We sincerely share joy with the Cambodian people who under the leadership of your excellency and the state of Cambodia have recorded many achievements on the way to consolidating peace, achieving national reconciliation, and building a prosperous country and a happy life. We firmly believe that those important achievements will open up new prospects for the Cambodian people to successfully build a Cambodian state of peace, independence, neutrality, non-alignment and friendly relations with all countries.'

In reply, Norodom Sihanouk said: 'After 20 years of being far away, I and the queen have never forgotten the 1960s and 1970s which witnessed a relationship full of fine sentiment and confidence, symbolising our Cambodian fatherland and people with you, the Vietnamese people. They were years and months of fraternal solidarity and full support given to each other courageously and proudly by the people of our two countries. The years between 1970 and 1975 saw our joint efforts to bravely struggle for successful national liberation and unification of our countries. These years have a beautiful place in the common history of Cambodia and Vietnam.'

'...We have also never forgotten our visits time and again to the Democratic Republic of Vietnam and your hospitality, friendship and generosity full of sentiment given to us during the war, in the years and months of victory, in the years and months of the Vietnamese people's glories and their resistance wars in 1970, 1971, 1972, 1973, 1974 and 1975 These included our visits that took place on the occasions of lunar new year celebrations of the Vietnamese people, your Tet festivals, and my last Vietnam visit which was here, in Hanoi, on the inauguration of President Ho Chi Minh's mausoleum and the celebration of the April 1975 historic victory.'

'...I would like to express my hope that my Vietnam visit this time will also contribute to consolidating the Cambodia-Vietnam relations which are beneficial to the people of both countries and to peace, stability, progress and prosperity of our Southeast Asian region.'

'We would like to express our admiration for and warmly welcome the Socialist Republic of Vietnam, the heroic Vietnamese people, the talented government and the great party and administration of the SRV for their rapid, repeated and very important progresses made in all areas in their national development and socialist construction. These progresses are typical.

'At the same time, we also would like to voice our profound gratitude towards the historical contributions of the SRV to the success of Cambodia's peace, restoration and reconstruction process. The SRV's comprehensive assistance to the Cambodian people is very essential and valuable. On behalf of the Cambodian people, I would like to express my sincere thanks to you.'

Foreign Minister Meets With Cambodian Counterpart

BK1512153195 Hanoi VNA in English 1229 GMT 15 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec. 15 — Foreign Minister Nguyen Manh Cam had a working session here yesterday afternoon with his Cambodian counterpart, Mr Ung Huot.

Speaking to his guest, Foreign Minister Cam warmly welcomed King Norodom Sihanouk and his wife's official friendship visit to Vietnam, describing it as an important political event contributing to the development of the Cambodia-Vietnam relationship into a new height, thus meeting the aspirations and interests of both peoples, in conformity with the region's common trend.

The two ministers were pleased to review the cooperative ties between the two countries over the past years, especially since the meeting of the Vietnam-Cambodia Joint Commission in September 1995. They discussed concrete measures to realise the implementation of the agreements reached at the first meeting of the commission as well as high-ranking agreements between the two countries.

The meeting took place in an atmosphere of friendship, sincerity and mutual understanding.

Australia

Further on 'Security Treaty' With Jakarta

BK1812054095 Melbourne Radio Australia in English 0500 GMT 18 Dec 95

[FBIS Transcribed Text] Australia and Indonesia have signed a security treaty at a ceremony in Jakarta attended by government delegations from the two countries. The treaty, finalized in 18 months of secret negotiations, calls on Canberra and Jakarta to consult on joint action to deal with threats to their common security. The prime minister, Paul Keating, who is leading the Australian ministerial delegation at the signing ceremony, has hailed the treaty, but the reaction from Indonesian ministers has been more cautious.

Meanwhile, the Australian opposition says the foreign minister, Gareth Evans, has privately expressed concern about the wording of the treaty. The opposition foreign affairs spokesman, Alexander Downer, says the concern focuses on a commitment for consultation in the event of adverse challenges. Mr. Downer says Senator Evans told him it would have been better to have used the phrase external challenges.

Evans: Pact Not To Contain China

BK1512063095 Melbourne Radio Australia in English 0500 GMT 15 Dec 95

[FBIS Transcribed Text] Australia's foreign minister, Gareth Evans, says a security pact between Australia and Indonesia is not part of a containment policy towards China. The agreement, which is the result of 18 months of secret-top-level negotiation, commits each country to consult with the other if one of them is attacked and to consider measures to assist. Senator Evans, who will sign the agreement with its Indonesian counterpart, Ali Alatas, in Jakarta on Monday [18 December], says the pact does not presume a threat from a third party.

[Begin Evans recording] None of us see China as a threat in the foreseeable future. None of us are in the containment business; we are all in the engagement business. But we can't foresee the future. There are endless different ways in which regional instability can arise, security problems can arise, and this is an obligation to consult in relation to them as a terrific step forward in that respect. [end recording]

Premier Previews Bougainville Peace Talks

BK1412094195 Melbourne Radio Australia in English 0500 GMT 14 Dec 95

[FBIS Transcribed Text] Australia has called on the different factions on Papua New Guinea's [PNG] Bougainville Island to make the most of their peace talks starting at Cairns today. The prime minister, Paul Keating, says he has sent a message to the Bougainville representatives urging them to demonstrate their true commitment to peace. Mr. Keating said the Bougainville negotiations should examine new ways to resolve the conflict and restore security and prosperity to the island.

The prime minister's statement said the PNG Government had endorsed the Cairns meeting and asked Australia to facilitate the talks. Mr. Keating said Australia would not be a participant in the Cairns talks but would provide the venue and security arrangements. He said the leaders of all the major Bougainvillian factions would be able to discuss freely the future of the island and ways to resolve the six-year-old conflict.

Bougainville Peace Talks Under Way in Cairns

BK1612134295 Melbourne Radio Australia in English 1100 GMT 16 Dec 95

[FBIS Transcribed Text] Peace talks have begun in the northeast Australian city of Cairns in a bid to end the seven-year conflict on the Papua New Guinea [PNG] island of Bougainville. The talks between the secessionist Bougainville Revolutionary Army and other Bougainville factions began under heavy security about two-and-a- half days behind schedule. (Manuel Burty) reports:

[Begin (Burty) recording] Talks were expected to get under way earlier Thursday [14 December] morning but were held up by the late arrival of some delegates and debate over protocol for the talks. As a result of those discussions, it was this afternoon decided that the United Nations would chair the meeting rather than the [word indistinct] secretariat previously planned and requested by PNG Prime Minister Sir Julius Chan. Observers and representatives from both sides of the conflict say a feeling of optimism, not present at previous negotiations, surround these talks, and they claim these discussions may mark the beginning of the end of the Bougainville conflict. [end recording]

Locally Made Submarine Goes on Public Debut

BK1712113295 Melbourne Radio Australia in English 0500 GMT 15 Dec 95

[FBIS Transcribed Text] The Australian Navy's second locally-built submarine has made its official public debut at a naming ceremony in Adelaide. Paul McCarthy reports the traditional bottle of champagne has been broken over the fin of the vessel.

[Begin McCarthy recording] (Falcon) was named after Rear Admiral (Howe Falcon), Australia's most decorated naval officer. His widow Jane performed the bottle breaking tradition and the submarine slipped from its moorings into the Port River. The $500 million [Australian dollars] submarine is the second made in Adelaide for the Navy but the first that is fully Australian made. And to celebrate the fact, the big Australian-made logo was plastered on the side. The Submarine Corporation says the vessel is considered 15 years ahead of any other conventional submarine in the world. [end recording]

Extradition Treaty Signed With South Africa

MB1412163195 Johannesburg SAfm Radio Network in English 1400 GMT 14 Dec 95

[FBIS Transcribed Text] South Africa and Australia have signed an extradition treaty in terms of which extradition may be granted if there's a prima facie for an offense that could lead to imprisonment for a year or more.

The agreement was signed in Brisbane by the South African high commissioner, Mr. Naude Steyn, and Australian Attorney General (Michael Lavache). The treaty is expected to provide greater clarity than the nontreaty arrangements which have been in effect for the past 10 years.

New Zealand

French Company Excluded From Contract Bid

LD1412121695 Melbourne Radio Australia in English 0700 GMT 14 Dec 95

[FBIS Transcribed Text] New Zealand's Defense Ministry has excluded a French company from final offers for a defense contract worth almost 130 million dollars. Defense Minister Warren Cooper said in a statement that the French company which made the initial short-list for supplying six new helicopters to the New Zealand navy had been dropped.

An American and a British firm have been asked to make final offers for the contract. Mr. Cooper said the decision to drop the French tender had no political connotation and was based solely on the operational and technical merits of the aircraft on offer.

New Zealand has (?fiercely) criticized the resumption of French nuclear testing in the Pacific in September this year.

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